



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*The South Florida Water Management District  
is a Component Unit of the State of Florida*

Fiscal Year Ended  
September 30, 2009





**COVER PHOTO:** The key purpose of stormwater treatment areas is to remove phosphorus from urban and agricultural runoff flowing into the Everglades. Too much of the nutrient phosphorus promotes an overgrowth of plant life and alters the habitat that Florida's native plants and animals need to thrive. Stormwater treatment areas provide prime home and visiting territory to wildlife including wading birds, ducks and American alligators. It is not unusual to spot roseate spoonbills (pictured above), fulvous and black bellied whistling ducks, wood storks, white pelicans and other wading birds foraging for food within District-constructed stormwater treatment areas.

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

**A Component Unit of the State of Florida**

**Fiscal Year Ended September 30, 2009**

**Prepared by  
Accounting and Financial Services Division  
Christian Flierl, Director**



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

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# **INTRODUCTORY SECTION**





## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**TO: Governing Board Members and Carol Ann Wehle, Executive Director**

**SUBJECT: Comprehensive Annual Financial Report – Fiscal Year 2009**

Florida Statutes require an external audit of the financial statements be performed by a firm of independent certified public accountants to express an opinion that the basic financial statements of the South Florida Water Management District (the “District”) are fairly presented in conformance with accounting principles generally accepted in the United States (GAAP). Pursuant to this requirement, the comprehensive annual financial report for the District is hereby issued for the fiscal year ended September 30, 2009.

Responsibility for the integrity, objectivity, accuracy, completeness and fairness of presentation of these basic financial statements rests with management. The basic financial statements were prepared in conformity with generally accepted accounting principles for governmental entities. Management believes the information to be accurate in all material respects and fairly presents the District’s financial position and operating results. The report includes disclosures required to provide an understanding of the District’s financial affairs.

Management is responsible for maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the expected benefits, and the evaluation of costs and benefits requires management’s estimates. The Governing Board and management have a plan of organization and policies in place to safeguard assets, validate the reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies and procedures. District management believes these existing internal accounting controls adequately safeguard assets and provide reasonable, but not absolute, assurance of proper recording and reporting of District finances.

Independent auditors have audited the basic financial statements in accordance with generally accepted auditing standards and included a review of internal accounting controls to the extent necessary to express an opinion on the fairness of these basic financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the South Florida Water Management District’s basic financial statements for the fiscal year ended September 30, 2009 are fairly presented in accordance with GAAP. The independent auditors’ report is presented as the first component of the financial section (Section II) of this report.

The independent audit of the District’s basic financial statements was part of a broader federal and state mandated “Single Audit” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on the District’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the District’s separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

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## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **DISTRICT BACKGROUND**

South Florida's subtropical extremes of hurricane, flood, and drought combined with efforts to populate this "new frontier" led the U.S. Congress to adopt legislation creating the Central and Southern Florida Flood Control Project in 1948.

The project's primary goal was to serve the needs of the region's growing agricultural and urban populations and to protect and manage water resources. The United States Army Corps of Engineers would, over the following decades, design and build a vast network of levees, canals, water control structures, and other improved waterways designed to help manage the often unpredictable weather extremes of the region.

In 1949 the Florida Legislature created the Central and Southern Florida Flood Control District (FCD) to act as the local sponsor for the project, operating and maintaining the water control network with funding from property taxes levied within the District boundaries. Throughout its history, this regional water resource agency evolved and grew primarily in response to population growth and development and their impact on water resources.

The Florida Water Resources Act of 1972 launched the most significant change in the state's approach to natural resource management. This legislation divided the state into five regional water management districts and greatly expanded the responsibilities of the existing FCD. This included a greater emphasis on water quality and environmental protection initiatives.

The FCD was renamed the South Florida Water Management District (the "District") in 1976, and new boundaries were drawn to encompass the region's primary watersheds. Since 1949, the District has grown into a multi-faceted agency responsible for most water resource related issues – from providing flood protection and water supply protection to people living in cities and on farms to restoring and managing natural ecosystems.

The District's Governing Board is composed of nine members appointed from specific geographic areas within District boundaries. The members are appointed by the Governor and are confirmed by the Florida Senate. Appointments are made on a staggered basis and members serve without salary for a term of four years. The Board elects its own officers, including a chairman and vice-chairman.

### **GEOGRAPHIC BOUNDARIES OF THE DISTRICT**

Water management district boundaries are based on natural, hydrological basins rather than political or county limits to allow for effective and efficient planning and management. The boundaries of the District encompass all or part of 16 south Florida counties, covering a total area of 17,930 square miles. Approximately 7.6 million people live within the District's boundaries. A map showing the geographic boundaries of the District can be found on page I-11.

### **GENERAL OPERATIONS**

The District's water management system includes roughly 1,969 miles of maintained canals and levees along with more than 500 primary water control structures operated by the District. Nearly 2,000 smaller structures are in place system-wide to control inflows from secondary sources (local, municipal, or county drainage and/or water control districts) into the District's primary system. The District has approximately 60 pumping stations which can move hundreds of millions of gallons of water in and out of storage areas, providing both water supply and flood protection.

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## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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The man-made water management system undergoes continuous enlargement and refinement with new construction, acquisitions, and upgrades to the existing network. This enhances the system's ability to provide flood control and water supply protection as well as preserve water quality and environmental values.

District employees are located at facilities across the 16 county jurisdiction to offer the public more direct and responsive access to permitting and other agency functions. These locations include eight Field Stations located in St. Cloud, Okeechobee, Clewiston, West Palm Beach, Fort Lauderdale, Miami, Homestead, and Naples. District headquarters are in West Palm Beach with Service Centers located in Plantation, Fort Myers, Naples, Stuart, Miami, Orlando, Okeechobee, and Key Largo.

The Big Cypress Basin Branch Office and Field Station are headquartered in Naples. Operations and policies for the Basin are directed by a six-member Basin Board and are carried out by Basin staff, under the direction of the Basin Administrator.

### **REGULATORY POWERS**

The District has a number of regulatory programs designed to protect the region's water resources. Under the state's 1993 environmental streamlining initiative, land alteration activities or works affecting water resources are regulated under one type of permit – the Environmental Resource Permit. The water management districts and the Florida Department of Environmental Protection have developed uniform wetland delineation, mitigation banking, and environmental resource permitting criteria. The District is also responsible for regulating consumptive uses of water. Types of activities regulated by the District include:

- projects with impacts on wetlands or other surface waters (dredge and fill),
- use of District lands, canals, streams or aquifers,
- drainage system construction or operation, and
- well construction.

### **OTHER DISTRICT PROGRAMS**

The District's responsibilities reach far beyond regulatory programs and operations. The District acquires, manages, and restores lands for the conservation and preservation of water resources as well as for the ancillary benefit of public recreations.

Water resource education targeted at schools and at the general public is an important District focus. Partnerships and coordination with other levels of government and other agencies help support water resource development projects, development of alternative water supplies, water conservation, reuse, and stormwater management goals.

Research, data collection, and analysis help ensure District projects and programs are effective and efficient. Emergency operations and management are a cornerstone of District operations, especially during the hurricane season, or the seven-month dry season when serious water shortages can occur. The District is also a leader in melaleuca, aquatic weed, and other exotic pest plant control.

## **REGIONAL ECONOMIC CONDITION AND OUTLOOK**

Conditions in the local economy affect the District's ability to generate revenues. This is because the District's primary revenue is from ad valorem taxes, which are property taxes based on assessed values of property in the region. Population growth and the associated construction of housing and commercial structures along with unemployment and interest rates are the primary factors that contribute to changes in property prices, which result in adjustments to assessed values.

Population growth within the District's geographic boundaries has decreased during the recent fiscal year, with a 0.7 percent decrease as compared to a 0.8 percent increase for the prior year. Despite this downturn, the District's population is expected to steadily increase from the 2009 rate at an average of 0.76 percent per year over the next five years, with the largest numerical increases occurring in Lee, Miami-Dade and Osceola Counties and the highest percentage growth rates occurring in Charlotte, Highlands and Osceola Counties, according to data published by the Florida Office of Economic and Demographic Research.

Florida's economic conditions, similar to economic conditions nationwide, are projected to continue their decline into 2010 and possibly beyond. The October 2009 unemployment rate for Florida was 11.3 percent compared to 7.0 percent from a year ago; and 9.5 percent for the entire United States compared to 6.6 percent from a year ago. This increase coupled with other economic indicators, such as the slowing housing market and increased rate of foreclosures will translate into a significant slow down in property value growth into 2010.

While the District-adopted ad valorem millage rates were not increased for fiscal year 2009, the fiscal year 2009 budget reflected a 4.4 percent reduction in ad valorem property taxes. This reflects a decrease of \$27.6 million, or 5.0 percent, from fiscal year 2008. This decrease is attributable primarily to two factors: 1) property tax reform (known as Amendment 1) which allows property owners to deduct an additional \$25,000 homestead exemption from the assessed value of their properties and 2) the devaluation of property values within the District's 16 counties. Amendment 1, which was approved by Florida voters, was retroactive to January 1, 2008 and the associated reduction in revenue was reflected in the fiscal year 2009 budget. In addition, the District's ad valorem revenue growth is limited by the Property Tax Reduction and Reform bill passed by the Florida Legislature in June 2007, which required a reduction in taxes by all local governments and special taxing districts from three to nine percent, depending on their past per capita tax increases. This legislation also limited future year revenues by setting a maximum limit on future tax levies to the rolled-back millage rate.

The District has taken steps to prepare for potential terrorism, economic downturns and catastrophic weather events by establishing an Economic Stabilization Reserve. As of September 30, 2009, the economic stabilization reserve was \$25.6 million.

## **MAJOR INITIATIVES**

### **EVERGLADES RESTORATION**

Florida's Everglades are the largest subtropical wetlands in the United States and are a unique resource. The Everglades "River of Grass" contains a diversity of plants and wildlife not found anywhere else in the United States. For more than a century, human activities have altered the ecosystem to provide for the development of a growing population, agriculture, and protection against deadly hurricanes and droughts.

Today, the Everglades face critical challenges as a result of more than 100 years of human progress. Phosphorus-enriched agricultural and stormwater runoff has threatened the ecosystem's delicate balance.



## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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Other threats include changes in the quantity, distribution and timing of freshwater; an infestation of non-native plants and animals; mercury accumulation in the tissue of some Everglades fish, birds and other animals; and a reduction in the size of the Everglades marshes.

The **Everglades Forever Act** (EFA), passed by the Florida Legislature in 1994, directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The District implemented the Everglades Construction Project and the Everglades Restoration Program in order to meet the requirements of the Everglades Forever Act. In 2003, the Everglades Forever Act was amended, requiring the implementation of the Long-Term Plan for Achieving Water Quality Goals in the Everglades Protection Area (Long-Term Plan).

The **Everglades Construction Project** (ECP) was the first major step in Everglades restoration pursuant to the 1994 Everglades Forever Act. The STAs, which consist of six large constructed wetlands, totaling over 52,000 acres of effective treatment area, are the cornerstone of the ECP. Other ECP components include hydropattern improvements and diversion of stormwater flows from Lake Okeechobee. Operations and maintenance of the STAs and other features of the ECP have commenced upon completion of each individual project. The latest data indicates that over the past fourteen years, phosphorus control programs consisting of Stormwater Treatment Areas and best farming/management practices together have prevented over 3,200 metric tons of phosphorus from entering the Everglades.

The Long-Term Plan, which builds upon and expands the ECP, contains activities to achieve Everglades water quality goals and to permit the State of Florida and the District to fulfill their obligations under both the Everglades Forever Act, and the federal Everglades Settlement Agreement. The success of the Long-term Plan is predicated upon using an adaptive implementation approach, whereby the best available information is used to develop and implement incremental improvement measures as their need and utility is confirmed.

The **Comprehensive Everglades Restoration Plan** (CERP) is a 30-year plan which provides the framework for the restoration, protection, and preservation of the naturally occurring water resources of the central and southern Florida region which originate in the Everglades. As the plan's major local sponsor, the South Florida Water Management District has partnered with the United States Army Corps of Engineers to implement CERP, the goal of which is to increase water storage and improve the timing, quality, and distribution of water deliveries to the Everglades ecosystem. Principal features of the plan are the creation of new reservoirs and wetlands-based water treatment areas.

The United States Congress approved CERP in 2000, under the Water Resources Development Act, authorizing ten initial full-scale projects along with six pilot projects. Implementation is currently estimated to cost \$12.5 billion, according to the 2007-2008 CERP Update to the Public, half of which will be paid by the federal government. Through 2008, the State of Florida and the District have invested approximately \$2.4 billion towards this effort, which includes approximately \$300 million in construction.

During 2005, the District launched Acceler8, an expedited initiative to be financed by Certificates of Participation to revitalize the ecosystem by increasing the pace on eight restoration projects included in the CERP and Everglades plans. Through fiscal year 2009, proceeds from the certificates totaling \$337.6 million have been utilized to reimburse construction costs related to the projects.

During the fiscal year, following extensive negotiations, due diligence and public deliberation, the South Florida Water Management District's Governing Board executed a Revised Purchase Agreement to take ownership of approximately 73,000 acres of agricultural land for approximately \$536 million, with an option to purchase an additional 107,000 acres for approximately \$790 million. The vast tracts of land in the Everglades Agricultural Area would be used to reestablish a part of the historic connection between Lake

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## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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Okeechobee and the Everglades through a managed system of storage and treatment and, at the same time, safeguard the St. Lucie and Caloosahatchee rivers and estuaries. The benefits of the land acquisition would include increasing water storage to reduce harmful freshwater discharges from Lake Okeechobee to Florida's coastal rivers and estuaries, improving the delivery of cleaner water to the Everglades, preventing tons of phosphorus from entering the Everglades and eliminating the need for "back-pumping" water into Lake Okeechobee. The proposed transaction would represent the largest land acquisition in Florida's history.

### **LAKE OKEECHOBEE**

The Lake Okeechobee Program is a multi-year, multi-component project which is designed to improve Lake Okeechobee and its estuaries by reducing excess nutrient loading, managing water levels and reducing or eliminating exotic plant species. In 2000, the Florida State Legislature passed the Lake Okeechobee Protection Bill, which required the District, in partnership with the Florida Department of Agriculture and Consumer Services and the Florida Department of Environmental Protection, to restore the lake and its watershed. In 2007, the program was further extended under the Northern Everglades and Estuaries Protection legislation, which addressed both water quality and water storage needs. One of the components of this program is the Lake Okeechobee Fast Track (LOFT) Project, which is designed to reduce phosphorus loads to the lake. In 2006, the District entered into a grant agreement with the Florida Department of Environmental Protection that extends to 2010. This grant will provide reimbursement of \$25.0 million towards the completion of this project. Total expenditures for the Lake Okeechobee Program for fiscal year 2009 totaled \$19.8 million.

### **KISSIMMEE BASIN RESTORATION**

In 1947, some 250,000 acres were flooded in and south of the cities of Kissimmee and Orlando. In 1962, in an attempt to keep these cities protected from further destruction, the United States Army Corps of Engineers dredged the Kissimmee River, turning it from 103 miles of winding river into a 56-mile long canal.

The environmental devastation of the dredging was staggering. Native vegetation disappeared, as did animals dependent upon it for food, nesting and shelter. Of the original 40,000 acres of wetlands, only 10,000 remained.

In 1976, the Legislature created a commission to study restoration of the river. After years of studies and experimenting with ways to restore the river, a plan evolved to fill 22 continuous miles of the canal with the original spoil material, forcing the water into the historic river channel and floodplain. The project also calls for removing two of the six dams and locks along the canal. When finished, 43 miles of the historic river and approximately 40 square miles of river/floodplain ecosystem will be restored.

The state and federal governments will split the estimated \$620 million cost to restore the river. The United States Army Corps of Engineers is responsible for the construction and the design of the restoration. The District has completed all voluntary acquisitions of the approximate 105,000 acres of land needed for the Project. Currently, the District is in the process of complex settlement negotiations, condemnation and/or engineering solutions relating to a remaining estimated 1,900 acres.

## **FINANCIAL POLICIES**

### **PRINCIPLES OF SOUND FINANCIAL MANAGEMENT**

Management acknowledges its responsibility for sound administration of the District's financial resources. This responsibility begins with *Principles of Sound Financial Management*. These are sixteen guiding principles established by the Governing Board that reflect core business beliefs of the District. One of the principles states that the District will maintain accountability and prudently use financial resources. As an integral part of the goal of fiscal accountability, management currently provides useful, timely, and accurate financial information for reporting, analysis, and decision making. The objective of this report is to clearly communicate the agency's operating results and financial position.

### **BUDGET ADOPTION AND CONTROLS**

The Truth-in-Millage (TRIM) Act enacted by state legislation requires disclosures of information regarding tax millage and budget adoption. Each year, following the required disclosures and two statutorily required public hearings, the Governing Board sets millage rates and adopts a budget.

The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. The Governing Board also approves budget transfers among departments and capital projects during the year. Encumbrance accounting is used to reserve budgeted appropriations for obligations incurred but not received.

### **CASH MANAGEMENT**

The District's cash position is bolstered by a sound and prudent investment policy. Cash not currently needed for operations is placed in a variety of investments depending on how soon cash will be needed for spending. During fiscal year 2009, District investments included U.S. Agency obligations, mortgage backed securities, Florida Prime, the Florida Local Government Surplus Funds Trust Fund Investment Pool, certificates of deposit, and money market accounts.

### **RISK MANAGEMENT**

The District is self-insured, within varying limits, for workers' compensation, general liability, and automobile liability insurance programs. All premium revenue and claims expenditures are reported in the District's General Fund. The District participates in a fully insured health care program that has enabled the District to realize overall cost savings.

Risk control procedures have been established to reasonably ensure that the District's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control procedures have been established to reduce possible losses to property owned by or under District control.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **DEBT ADMINISTRATION**

The largest portion of the District's debt is comprised of the unpaid balance of revenue bonds referred to as Certificates of Participation, (COPS) Series 2006, and to a lesser extent, the unpaid balance of Special Obligation Land Acquisition Bonds. The certificates were issued to provide funds for the construction of accelerated projects in furtherance of Everglades restoration. Land acquisition bonds were issued to finance the purchase of environmentally sensitive lands and are secured by a share of statewide documentary stamp tax collections. During the fiscal year, the credit rating agencies downgraded the District's bond insurer, AMBAC Assurance Corporation. This downgrading of the District's insurer caused the District's credit rating to be based on a non-insured credit rating. As such, at September 30, 2009, the District's COPS were rated AA3, AA+ and AA- and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A2, A+ and A- by Moody's, S&P and Fitch Ratings, respectively. This has not had a financial impact on any of the District's outstanding obligations. The total liability for the revenue bonds and the land acquisition bonds at September 30, 2009 is \$529.4 million and \$41.3 million, respectively. The District is obligated for payments on the COPS through fiscal year 2037, and on the bonds through fiscal year 2016.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Florida Water Management District for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the nineteenth consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, satisfying both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGMENTS**

Management extends its sincere appreciation to the many District employees who provided countless hours of research and analysis in the preparation of this report. Special thanks go to the employees of the Division of Accounting and Financial Services for their diligence in the production of this report.

Respectfully submitted,

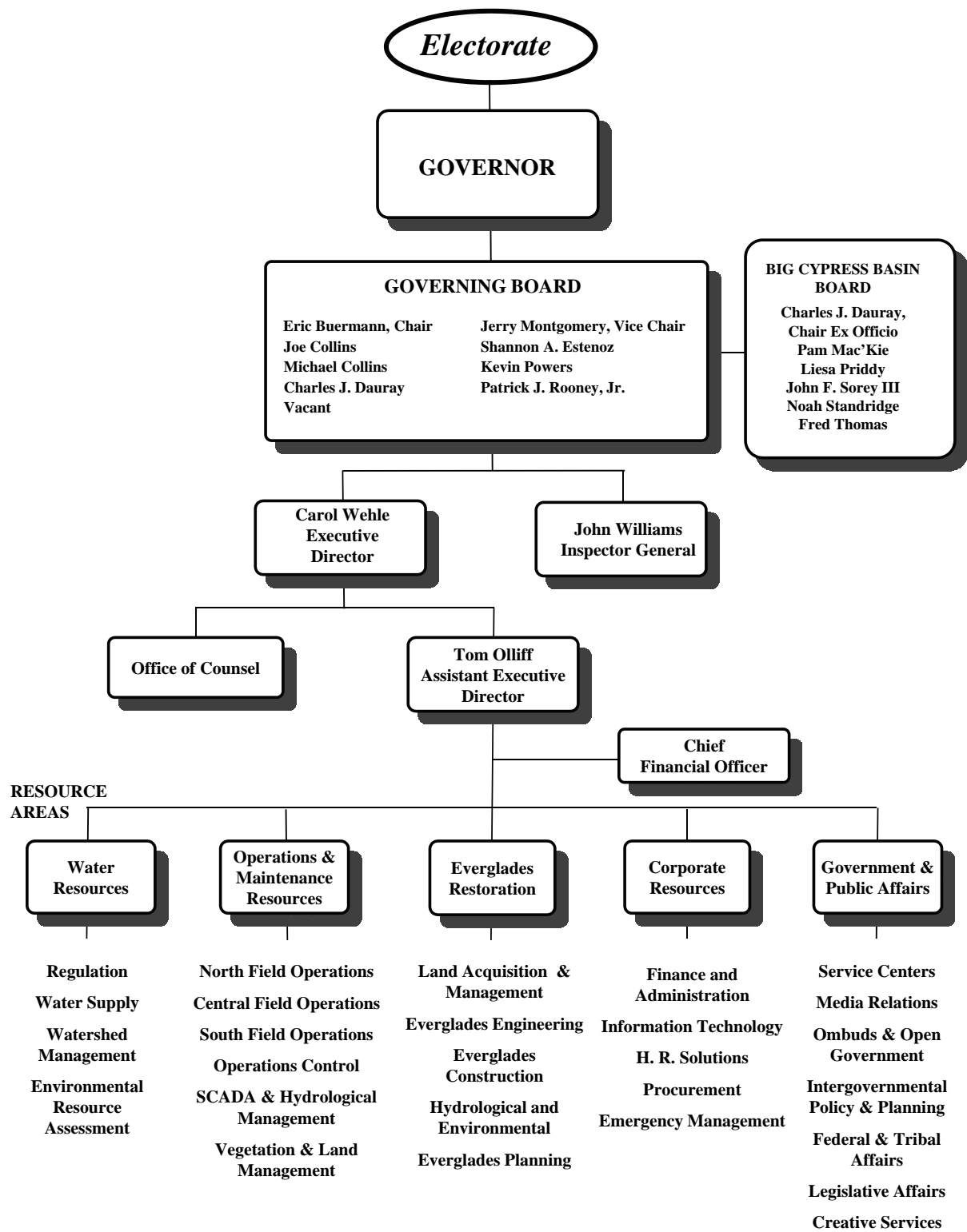


Paul E. Dumars, Sr.,  
Chief Financial Officer  
March 22, 2010



Christian Flierl, Director  
Division of Accounting and Financial Services

**ORGANIZATION CHART AND LIST OF PRINCIPAL OFFICIALS**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Florida  
Water Management District

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Enen".

Executive Director



# **South Florida Water Management District Geographic Boundaries**



The South Florida Water Management District (SFWMD) encompasses all or part\* of 16 counties:

Broward	Glades	Martin	Osceola*
Charlotte*	Hendry	Monroe	Palm Beach
Collier	Highlands*	Okeechobee*	Polk*
Miami-Dade	Lee	Orange*	St. Lucie



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# **FINANCIAL SECTION**



# McGladrey & Pullen

Certified Public Accountants

## Independent Auditors' Report

To the Governing Board of the  
South Florida Water Management District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Florida Water Management District (the District), a component unit of the State of Florida, as of and for the year ended September 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of September 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20 of the financial statements, the net assets of the governmental activities, as of September 30, 2008, has been restated. We audited the adjustments necessary to restate the 2008 financial statements as disclosed in Note 20. In our opinion, such adjustments are appropriate and have been properly applied. With respect to items addressed in note 20, the previously-issued auditors' report dated March 20, 2009 is not to be relied on because the previously-issued financial statements were materially misstated as described in Note 20 and the previously-issued auditors' report is replaced by the auditors' report on the restated financial statements.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 22, 2010 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, the statistical and disclosure section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory, statistical and disclosure sections, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

West Palm Beach, Florida  
March 22, 2010



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

Management's discussion and analysis of the South Florida Water Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2009. Please read it in conjunction with the transmittal letter beginning on page I-1 and the District's basic financial statements, which begin on page III-1.

**FINANCIAL HIGHLIGHTS**

- District assets exceeded liabilities at the close of fiscal year 2009 by approximately \$4.4 billion.
- Net assets increased approximately 3.8 percent during the year, from \$4.2 billion at September 30, 2008 to \$4.4 billion at September 30, 2009, a change of \$0.2 billion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$81.1 million, or about 48.9 percent of total General Fund expenditures.
- The District's total capital assets increased by \$68.9 million during the current fiscal year. This increase resulted primarily from construction of various projects.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages III-1 to III-2 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 30 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Okeechobee Basin Special Revenue Fund, State Appropriations Fund, Everglades Trust Fund, Comprehensive Everglades Restoration Plan Fund, Save Our Everglades Fund, and Acceler8 Everglades Construction Project Fund, all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages III-3 to III-10 of this report.

Individual fund data for each of the 23 non-major governmental funds is provided in the form of combining statements on pages V-4 to V-18 of this report.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided that include the original and final appropriated budgets as well as the final actual results of operations for the General Fund, Okeechobee Basin Special Revenue Fund, and the State Appropriations Fund to demonstrate compliance with these budgets. The budgetary comparison schedules for these three funds are being reported as required supplementary information other than management discussion and analysis and are presented immediately after the notes on pages IV-1 to IV-8. Budgetary comparison schedules for the other governmental funds are presented on pages V-20 to V-50 of this report.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages III-11 to III-38 of this report.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by over \$4.4 billion at the close of the most recent fiscal year, an increase of \$200.9 million from the prior fiscal year. By far, the largest portion of the District's net assets (86.8 percent) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets (2.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (10.8 percent) of net assets relates to the unrestricted portion. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets.

The balance of current and other assets at the end of fiscal year 2009 is approximately \$37.5 million higher than that from the year prior, primarily as a result of an increase in overall cash and investments held during the period. Total liability obligations reflected a decrease of \$94.7 million, with the pay-down of outstanding debt (\$58.9M) and an overall reduction in vendor payables (\$42.3M) resulting from efficiency in processing being the main contributing factors to this decrease in total obligations. Together, this increase in assets and decrease in liabilities between fiscal years is reflected primarily in the change in unrestricted net assets, which shows a net increase of \$91.5 million.

Key elements of the total net asset increase are presented on the following page.

<b>District's Net Assets As of September 30</b>		
	<u>2009</u>	<u>2008 (As Restated)</u>
Current and Other Assets	\$ 966,408,130	\$ 929,019,121
Capital Assets, Net	<u>4,114,683,017</u>	<u>4,045,831,876</u>
 Total Assets	 <u>5,081,091,147</u>	 <u>4,974,850,997</u>
 Current and Other Liabilities	 103,403,702	 175,016,854
Long-term Liabilities Outstanding	<u>610,266,308</u>	<u>633,351,492</u>
 Total Liabilities	 <u>713,670,010</u>	 <u>808,368,346</u>
 Net Assets:		
Invested in Capital Assets,		
Net of Related Debt	3,788,956,243	3,679,678,118
Restricted	107,077,010	106,908,248
Unrestricted	<u>471,387,884</u>	<u>379,896,285</u>
 Total Net Assets	 <u>\$ 4,367,421,137</u>	 <u>\$ 4,166,482,651</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**District's Changes in Net Assets  
Fiscal Years Ended September 30**

	<u>2009</u>	<u>2008</u>
Revenues		
Program Revenues		
Charges for Services	\$ 9,442,388	\$ 11,167,494
Operating Grants and Contributions	38,787,196	87,562,691
Capital Grants and Contributions	61,030,024	248,199,285
General Revenues		
Property Taxes	532,429,588	560,010,089
Investment Earnings	28,483,350	37,834,818
Miscellaneous	<u>26,747,397</u>	<u>13,707,833</u>
Total Revenues	<u>696,919,943</u>	<u>958,482,210</u>
Expenses		
Land Stewardship	10,738,916	13,284,667
District Everglades	63,833,971	70,075,520
Operations and Maintenance	122,678,739	133,247,616
Water Supply	31,382,864	54,678,200
Kissimmee Watershed	6,935,126	7,638,402
Regulation	19,471,100	19,001,809
Lake Okeechobee	16,938,853	20,614,407
Coastal Watersheds	27,699,261	40,076,948
Mission Support	105,245,086	103,599,908
Comprehensive Everglades Restoration Plan	48,209,647	41,425,271
Modeling and Scientific Support	15,967,281	15,628,709
Interest on Long-term Debt	<u>26,880,613</u>	<u>27,496,071</u>
Total Expenses	<u>495,981,457</u>	<u>546,767,528</u>
Increase in Net Assets	200,938,486	411,714,682
Net assets – Beginning of fiscal year	4,207,536,118	3,795,821,436
Restatement	<u>(41,053,467)</u>	<u>-</u>
Net assets – Beginning of fiscal year (As Restated)	<u>4,166,482,651</u>	<u>3,795,821,436</u>
Net assets – End of fiscal year	<u>\$4,367,421,137</u>	<u>\$4,207,536,118</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Property taxes** continue as the District's primary source of revenue. For fiscal year 2009, revenue from property taxes totaled \$532.4 million of which \$11.7 million represents Agricultural Privilege Taxes. This reflects a decrease of \$27.6 million, or 5.0 percent, from fiscal year 2008. This decrease is attributable primarily to two factors: 1) property tax reform (known as Amendment 1) which allows property owners to deduct an additional \$25,000 homestead exemption from the assessed value of their properties and 2) the devaluation of property values within the District's 16 counties. As a result of these factors, taxable property values within the District decreased 4.4 percent in fiscal year 2009 from the prior year.

The Agricultural Privilege Tax is one of the dedicated funding sources identified in the Everglades Forever Act (EFA) and is used to fund Everglades Construction Project and Long Term Plan expenditures. Agricultural Privilege Tax revenues vary each year based on tax roll information received from Palm Beach and Hendry counties' property appraisers. The tax is calculated based on the assessed tax-per-acre and the number of agricultural acres reflected on the tax rolls. The Governing Board certifies the tax rolls at the District's Annual Tentative Budget Adoption Public Hearing held each September.

The Agricultural Privilege Tax continues to be a steady source of revenue for the Everglades Trust Fund. During fiscal year 2009 tax revenues derived from the Agricultural Privilege Tax increased approximately \$400,000 from the prior fiscal year's level of \$11.3 million. Annual revenue realized is directly related to a change in acres in the Everglades Agricultural Area and C-139 basin from the previous year's tax rolls. Acres can be taken off the tax rolls due to construction and change in land status to non-agricultural use tax classification.

**Operating grants and contributions** totaled \$38.8 million for fiscal year 2009, a decrease of approximately \$48.8 million from the prior fiscal year. The majority of revenue in this category is derived from the Florida Department of Environmental Protection Trust Funds for water supply and regional water management purposes. The District received \$30.7 million less in revenue for water supply projects and coastal watershed programs, which are primarily funded through the Water Protection Sustainability Program and a \$14.5 million reduction from the Water Management Lands Trust Fund for management and maintenance of Save Our Rivers land.

**Capital grants and contributions** totaled \$61.0 million for fiscal year 2009, a decrease of approximately \$187.2 million from fiscal year 2008. While revenue was reduced across all programs and grants, \$143.3 million, or 76.5 percent, of this reduction is related to land acquisition for various projects. The District recognizes revenue for capital purposes when received, primarily for land acquisition and to a lesser extent capital construction. The revenue is received from a number of sources including state appropriations, the Florida Forever Trust Fund, Save Our Everglades Trust Fund, and other participating local governments. During fiscal year 2009, in relation to the previous fiscal year, the Florida Department of Environmental Protection contributed \$30.2 million less in state appropriations for land acquisition related to the Lake Okeechobee FAST track projects, \$46.0 million less from the Florida Forever Trust Fund for land acquisition for the Kissimmee Watershed projects, \$52.1 million less in land acquisition funding from the Save Our Everglades Trust Fund, \$27.3 million less for Lake Okeechobee projects and \$24.8 million less for the Comprehensive Everglades Restoration Projects. In addition, in fiscal year 2008, the District received \$10.0 million from Lee County, with no comparable funding provided in the current year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Investment earnings** during fiscal year 2009 decreased by approximately \$9.3 million to \$28.5 million from the previous fiscal year 2008 level of \$37.8 million. The reduction is primarily attributed to two factors. First, cash on hand from the 2006 Series Certificates of Participation (COPS) proceeds was reduced due to the construction expenditures incurred during the fiscal year, leaving less money invested, and in turn resulting in a decrease of \$5.0 million in interest earned on such balances. Additionally, rates earned on investments dropped on average due to economic conditions. The District kept a slightly higher allocation of idle funds in cash accounts that have lower yields due to the uncertainty and volatility in the markets, translating to a drop of \$4.3 million on pooled investment earnings.

**Miscellaneous Revenue** totaled \$26.7 million for fiscal year 2009, and consists of self-insurance premiums (\$2.5 million); indirect costs recovered (\$6.9 million); and other revenue (\$17.3 million). The net increase of approximately \$13.0 million relating to other revenue from fiscal year 2008 is primarily attributed to premium rebates totaling \$8.4 million the District received during fiscal year 2009 related to builders risk insurance purchased towards major construction projects in prior fiscal years.

**Expenses related to the District Everglades, Operations & Maintenance, Water Supply, Mission Support and Comprehensive Everglades Restoration Plan Programs** totaled approximately \$371.3 million or 74.9 percent of the \$496 million in total expenses for fiscal year 2009. These five (5) programs experienced variances in terms of total program expenses for fiscal year 2009 in comparison to the previous fiscal year, and are further discussed below.

**District Everglades Program** expense decreased by \$6.2 million or 8.9 percent from the prior year to the current year total of \$63.8 million. One factor contributing to the reduced expenses was the decrease in the per gallon cost of diesel fuel from fiscal year 2008. This decrease in fuel costs resulted in a savings of approximately \$1.7 million in fiscal year 2009. Diesel fuel is used to power pumps that move water associated with the Stormwater Treatment Areas. A second cause for fewer expenses being incurred in fiscal year 2009 was the completion of several significant maintenance projects in 2008, including STA 1-W Midway Levee Repairs, STA 5 Spreader Canal dredging, and the L-6 East Levee repair, none of which had a similar cost component in the current year. Overall, operational expenses of the Program, primarily consisting of maintenance costs, decreased by \$2.7 million in fiscal year 2009 compared to the prior year. The final significant factor contributing to the decreased costs related to accounting adjustments made in fiscal year 2008 to reallocate \$1.7 million in expenses associated with capital projects and related assets.

The District's Everglades Program is focused on the District's responsibilities outlined in the 1994 Everglades Forever Act (EFA) and the 1991 Federal Settlement Agreement. The Everglades Construction Project (ECP), a component of the EFA, is the first major step in restoring the Everglades. The EFA directs the District to design, permit, construct and operate a series of Stormwater Treatment Areas (STAs) in order to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The Everglades Program also funds research to support restoration of water quality, hydrology and ecology of the Everglades.

Program accomplishments in fiscal year 2009 included completing the designs and executing contracts for construction of civil works for Compartment B North and South Buildout STAs, as well as for construction of inflow and outflow pump stations. A total of six ECP Stormwater Treatment Areas are now in operation. Combined performance since start-up indicates approximately 1,200 metric tons of phosphorus that would have otherwise gone to the Everglades has been removed by the STAs. Major rehabilitation efforts in STA-5 were completed in FY2009.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Operations and Maintenance (O&M) Program** expense incurred during fiscal year 2009 was \$122.7 million, a decrease of \$10.6 million, or 7.9 percent over the \$133.2 million expensed in fiscal year 2008. A number of offsetting variances within the Program contributed to the net decrease in expenses, the most significant of which are described as follows. Staff salaries & fringes cost increased approximately \$2.3 million from fiscal year 2008 to fiscal year 2009 as a direct result of hiring full time O&M staff to supplant efforts that had previously been derived through contracts. These positions were requested of and approved by the Governor's Office as a part of budget development briefings. Interagency expenses were reduced by \$12.4 million as a result of significant costs being incurred in fiscal year 2008 for the Miami River dredging, a project which had no related fiscal year 2009 component. The combined effect of the above-described variances contributed to the majority of the \$10.6 million decrease in Program expenses from fiscal year 2008 to fiscal year 2009.

This program is primarily responsible for the operation and maintenance of more than 500 water control structures and over 60 pump stations, installation and maintenance of more than 2,000 automated remote terminal units and 25 weather stations, and maintenance of 1,969 miles of canals and levees, of which 1,800 are in the C&SF Project, and 169 in the Big Cypress Basin. The strategic priority goal of the Operations and Maintenance Program is to minimize damage from flooding, provide adequate regional water supply, and protect and restore the environment by optimally operating and maintaining the primary flood control and water supply system.

Program accomplishments during the fiscal year included the completion of several capital construction projects, including the St. Cloud Field Station, canal bank stabilizations at C-1 and C-24, Clewiston Field Station generator replacement, and installation of manatee pressure strips at multiple structures. Ongoing exotic plant control, mowing, and vehicle inspection and maintenance programs remained on schedule and within budget. Preventive maintenance was performed at pump stations and structures, and inspection of storage tanks and other facilities completed per schedule.

**Water Supply Program** expense incurred during fiscal year 2009 totaled \$31.4 million, a decrease of \$23.3 million from the \$54.7 million expensed in fiscal year 2008. The reduction is associated with the \$19.5 million reduction in funds received through the State in support of Alternative Water Supply projects. This decreased funding translates to a comparable decrease in the District's required match relating to these funds, which reduced the activities of the Alternative Water Supply Program from 69 to 41 partners.

This program is responsible for the District's evaluation of long-term water supply needs as well as planning and development associated with various water resource projects. The strategic priority goal of the Water Supply Program is to ensure an adequate supply of water to protect natural systems and to meet all existing and projected reasonable-beneficial uses, while sustaining water resources for future generations.

Program accomplishments in fiscal year 2009 include implementation of the Water Shortage Program in response to drought conditions in Lake Okeechobee, the Everglades, and other basins throughout the District. Other key program highlights include managing Alternative Water Supply Program with 41 partners to support the development of 27 million gallons a day of alternative water and funding 44 projects in the Water Saving Incentive program, which have a potential estimated water savings of 550 million gallons of water per year.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Mission Support Program** expense increased \$1.6 million, or 1.6 percent, from \$103.6 million in fiscal year 2008 to \$105.2 million in fiscal year 2009. The most significant variances contributing to the net decrease resulted from the following. Operating and contractual expenditures were approximately \$9.2 million less in fiscal year 2009. Offsetting this decrease, Mission Support program salaries and fringe benefits increased in fiscal year 2009 by approximately \$2.5 million as a result of filling multiple vacancies, as well as from converting targeted consultant positions to full time equivalents as approved by the Governor's Office. Further offsetting the decrease was an increase in estimated expenses for legal related matters. In fiscal year 2008, the District reduced its estimated liability associated with legal related matters to which it was a party, resulting in posting a credit to expenses of approximately \$8.3 million. In fiscal year 2009, no additional expense was accrued for legal matters, resulting in an increase in expense when compared to FY 2008.

This program delivers critical business support services such as information technology, procurement, finance, human resources, legal support, project management, internal audit, and public and executive level policy guidance. The strategic priority goal of the program is to provide the District with optimum support and logistical functions.

Program accomplishments for fiscal year 2009 included: completing the re-roofing of the headquarters building with a reflective solar membrane that qualified for a significant rebate from Florida Power and Light; receiving the Certification of Achievement for Excellence in Financial Reporting for the District's fiscal year 2008 Comprehensive Annual Financial Report and the Distinguished Budget Presentation with Special Recognition for Communications for the District's fiscal year 2009 budget document from the Government Finance Officer's Association; implemented performance management software and conducted training for over 1,000 employees; and began the planning and design of a new budget module for the Enterprise Resource Planning (ERP) system to assist with the District's budget development, strategic planning, and annual work plan preparation.

**Comprehensive Everglades Restoration Plan (CERP) Program** expense during fiscal year 2009 totaled \$48.2 million. This represents an increase of \$6.8 million from the \$41.4 million expensed in fiscal year 2008. One of the factors contributing to this increase is the planned acquisition of large tracts of land in the Everglades Agricultural Area for Everglades restoration (see Next Year's Budgets and Rates for additional details). The District is currently proceeding with due diligence matters relating to this major acquisition, the fiscal year 2009 costs of which are \$11.6 million. The remaining increase is spread among the multiple projects which are included in the CERP program. The projects with the largest increases include the Picayune Strand project in the amount of \$5.4 million and the Lake Trafford Restoration project in the amount of \$4.2 million.

The District is the CERP implementing agency for the State of Florida, in partnership with the U.S. Army Corps of Engineers. The program works to improve the quantity, quality, timing and distribution of water delivered to freshwater and coastal systems in South Florida. The program costs include completion of Project Implementation Reports; implementation of program-level management activities, including adaptive assessment and monitoring; and implementation of new and improved restoration technologies. The key strategic priority goal of the CERP Program is to restore, preserve and protect the South Florida ecosystem through implementation of the Comprehensive Everglades Restoration Plan and other related federal water resources projects.

Program accomplishments for fiscal year 2009 included the completion of design for construction of C-111 Spreader Canal as well as for Biscayne Coastal Wetlands project elements L-31 culverts, Deering Estates and Cutler Flowway. Final construction was commenced on the Lake Trafford dredging project, and the Project Implementation Report for CERP Melaleuca Eradication was completed, which will allow the Corps to construct a mass rearing facility in Davie Florida for biological control agents.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**General Fund**

The General Fund is the chief operating fund of the District. It accounts for all financial resources, except those required to be accounted for in another fund. This fund accounts for District-wide expenditures and is supported primarily by ad valorem property taxes, permit fees and investment earnings.

At fiscal year end, the fund balance of the General Fund was \$88.7 million which represents a decrease of approximately \$5.6 million from the fiscal year 2008 ending balance of \$94.3 million. Of the \$88.7 million, \$81.1 million was unreserved and \$7.6 million was reserved for encumbrances and inventory. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48.9 percent of the General Fund expenditures totaling \$166.0 million, while total fund balance represents 53.5 percent of that same amount. Although revenues exceeded expenditures by \$70.2 million, the General Fund had operational transfers to other funds amounting to \$75.8 million, resulting in a net decrease in fund balance of \$5.6 million.

Total revenues in the General Fund decreased approximately \$15.7 million from the prior year. The majority of this decrease is comprised of a reduction in property tax revenue of \$11.7 million which is attributable to property tax reform and a decrease in property values, a \$1.6 million decrease relative to indirect cost recovery related to a change in the District's overhead rate from 107.1 percent to 104.5 percent and a \$1.0 million decrease in investment earnings resulting from lower yields on securities held for investment purposes.

Total expenditures decreased approximately \$10.9 million in fiscal year 2009 to \$166.0 million. The net decrease was comprised of several program areas with small increases and decreases within the General Fund from fiscal year 2008 to 2009. The two largest expenditure decreases were \$5.9 million and \$6.7 million which occurred in the Water Supply and the Mission Support programs, respectively. The decrease in the Water Supply program is due to a decrease of State funding related to the Alternative Water Supply program and the related decrease in the required District match of those revenues. The Mission Support program expenditure reduction was due to a shift in funding for a portion of the costs of the Enterprise Resource Planning (ERP) system to the Okeechobee Basin Special Revenue Fund during fiscal year 2009.

Operating transfers netted to \$75.7 million in other financing uses for fiscal year 2009. The total amount transferred-out of \$75.8 million was transferred to the CERP Fund, representing the General Fund's 2009 annual contribution to CERP to fund planned operations and capital projects.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Okeechobee Basin Special Revenue Fund**

The Okeechobee Basin Special Revenue Fund accounts for the normal operating expenditures covering all or part of a 15-county area designated as the Okeechobee Basin. Revenue is provided by ad valorem property taxes, intergovernmental funding, permit fees, investment earnings and other sources.

The total fund balance of the Okeechobee Basin Special Revenue Fund at September 30, 2009 was \$84.7 million, an increase of \$10.8 million from fiscal year 2008. Although the Fund experienced a decrease in revenues in excess of expenditures from fiscal 2008, this decrease was offset by a \$25 million reduction in transfers-out. Total revenues in the Okeechobee Basin Special Revenue Fund decreased \$12.2 million from the previous fiscal year. This net decrease is primarily due to less property tax revenues realized of \$11.7 million.

Total expenditures decreased by \$4.5 million, or 4.1 percent, in fiscal year 2009 to \$105.4 million. The net decrease is comprised of several program areas with small increases and decreases within the Fund. The largest decrease is in the Operations and Maintenance program expenditures in the amount of \$7.2 million. This decrease is a result of repairs and maintenance associated with the District's water control infrastructures which were completed in fiscal year 2008. This decrease was offset by increases in the Lake Okeechobee and Mission Support programs of \$3.8 million and \$3.5 million, respectively, which related to the District's match for the Hybrid Wetland Treatment Technology Implementation/Evaluation, the transition of certain costs associated with the maintenance of the Enterprise Resource Planning (ERP) System from the General Fund to the Okeechobee Basin Fund during fiscal year 2009, expenditures which had historically been captured exclusively in the General Fund, and from the incurrence of capital outlay costs in fiscal year 2009 relative to software acquisition and development towards the Public Budget Information Module of the ERP.

For fiscal year 2009, operating transfers netted to \$112.7 million, with transfers-out totaling \$112.8 million and transfers-in totaling \$0.1 million. Transfers-out in the amount of \$66.5 million were to the CERP Fund, representing the Okeechobee Basin Special Revenue Fund's 2009 annual contribution for CERP in order to fund planned operations and capital projects. The remaining transfers-out in the amount of \$46.3 million went to the Okeechobee Basin Capital Fund to support scheduled capital improvement projects and various purchases of goods and services.

**State Appropriations Fund**

The State Appropriations Fund accounts for expenditures incurred for various projects utilizing revenue from state sources. The Water Protection and Sustainability Trust Fund, Ecosystem Management and Restoration Trust Fund, and other state appropriations are the primary sources of revenue for this fund. In recent years, the State has advanced funds to the District for major long-term projects, such as flood mitigation and restoration of various water bodies. Other grant revenues are recognized on a cost reimbursement basis.

During fiscal year 2009, the fund balance of the State Appropriations Fund decreased by \$5.5 million to \$24.8 million by the end of fiscal year. The State Appropriations Fund spent \$18.3 million in 2009, and recognized advances and reimbursements in the amount of \$12.8 million from the State of Florida. Total revenues decreased by \$22.0 million from the prior year. Balances and activity in this fund vary from year to year based on the amount and timing of revenues received by the State and the status of on-going projects. Total expenditures in the State Appropriations Fund decreased \$22.1 million in fiscal year 2009, primarily as a result of decreased state advances and reduced funding available in the trust funds for alternative water supply projects and other relevant flood mitigation and restoration projects. There were no operating transfers in the State Appropriations Fund during fiscal year 2009.

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**Everglades Trust Fund**

The Everglades Trust Fund was established to account for capital expenditures to construct Stormwater Treatment Areas (STAs) which will cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Revenue for this fund is provided through a .0894 mill tax levy, non-ad valorem tax assessments to property owners in the EAA, state and federal contributions, and interest earnings.

During fiscal year 2009, the fund balance of the Everglades Trust Fund increased \$5.5 million to \$94.6 million at fiscal year end. Several factors contributed to this increase including excess of revenues over expenditures of \$25.0 million.

Total revenues in the Everglades Trust Fund decreased slightly, by \$3.8 million to \$86.9 million. This decrease was primarily due to a decrease in ad valorem tax revenues for fiscal year 2009.

Total expenditures increased by approximately \$2.5 million in fiscal year 2009 to \$61.9 million. This increase is in part the result of debt service payments allocated to the Everglades Trust Fund increasing by \$15.3 million during fiscal year 2009 in comparison to fiscal year 2008. The increase in debt service, associated with the Certificates of Participation, Series 2006, is the result of a revised funding allocation between the CERP Fund and the Everglades Trust Fund. The allocation of debt service payments was modified to reflect the ongoing budget and projected costs related to the projects which are funded by the COPS proceeds. This increase was partially offset by a net reduction in operating and capital outlay expenditures of \$12.8 million during the year relative to the completion of the design of several construction projects, including STA Compartment B and C build-outs, the design costs of which were funded from Everglades Trust Fund revenues and the construction of which will utilize proceeds from the Series 2006 COPS.

For fiscal year 2009, operating transfers-out totaled \$19.5 million which represented annual funding to cover on-going operations and maintenance costs of the STAs (\$18.5 million) and Florida Bay restoration projects (\$1.0 million) as outlined in the Everglades Forever Act.

**Comprehensive Everglades Restoration Plan (CERP) Fund**

The CERP Fund accounts for expenditures associated with the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. This fund receives most of its resources from property taxes via operating transfers from the General Fund and the Okeechobee Basin Special Revenue Fund.

During fiscal year 2009, the fund balance of the CERP Fund increased by \$74.2 million to \$183.8 million at fiscal year end.

Total revenues of the fund were \$2.4 million, which is comparable to prior fiscal year 2008 revenues of \$1.9 million, the majority of which is from investment earnings.

Total expenditures decreased \$29.1 million during fiscal year 2009 in comparison to fiscal year 2008, from \$99.6 million to \$70.5 million. During fiscal year 2009, debt service payments related to the COPS totaled \$15.7 million, which was a decrease of \$14.3 million from the prior fiscal year. As noted in the Everglades Trust Fund section, this decrease was due to a shift in the debt service payment allocation between that fund and the CERP Fund. This decrease was complemented by a reduction of \$14.8 million in overall Fund

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operating and capital expenditures. Several significant projects of the Comprehensive Everglades Restoration Plan, which are accounted for in the CERP Fund, have been placed on hold pending the outcome of Everglades litigation and the District's intent to acquire significant landholdings in furtherance of Everglades restoration.

Operating transfers-in totaled \$142.3 million in other financing sources for fiscal year 2009. These were comprised of funding received from the General Fund (\$75.8 million) and Okeechobee Basin Special Revenue Fund (\$66.5 million).

**Save Our Everglades Trust Fund (SOETF)**

The Save Our Everglades Trust Fund (SOETF) accounts for revenues received from, and expenditures funded through, the State of Florida's fund by the same name. State monies are used to support land acquisition, design, construction, and associated costs for the CERP and Northern Everglades projects.

At September 30, 2009 the fund balance for the SOETF was a deficit of \$26 thousand, a decrease of \$2.1 million from the balance a year earlier. The fund deficit will be corrected through future pending reimbursements of expenditures incurred from the State of Florida.

Total revenues in the Save Our Everglades Trust Fund decreased approximately \$54.9 million from the prior fiscal year. The net decrease was a result of a \$52.1 million reduction in reimbursement monies requested from the State's Save Our Everglades Trust Fund due to project delays.

Overall expenditures decreased by \$54.8 million in fiscal year 2009 from the prior year amount of \$95.9 million. This decrease is due to significant project delays encountered in fiscal year 2009, which is related to the comparative decrease in the Fund's revenue. In addition, during fiscal year 2008, the District had a \$10.0 million non-recurring expense related to the Miami River Dredging Project. This decrease was offset slightly by a \$3.3 million increase relating to the Lake Istokpoga Marsh project.

**Acceler8 Everglades Construction Project Fund**

The Acceler8 Everglades Construction Project Fund accounts for the revenues from Certificates of Participation issued to support expenditures associated with the accelerated construction of projects in the Everglades/Long-Term Plan Implementation.

During fiscal year 2009, the fund balance increased by \$217.3 million to \$230.3 million at fiscal year end. This increase was a result of an operating transfer from the Acceler8 Comprehensive Everglades Restoration Fund in the amount of \$232.0 million. The purpose of this transfer was to re-distribute unspent proceeds relating to the EAA Reservoir project, accounted for under the Acceler8 Comprehensive Everglades Restoration Plan Fund to the Acceler8 Everglades Construction Project Fund. These funds will be used for the construction of Compartments B and C buildouts, which are part of the Long-Term Plan Acceler8 projects.

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budgeted revenues and expenditures in the final General Fund budget of \$235.7 million and \$200.9 million, respectively, were equal to the original adopted budget for fiscal year 2009. For the fiscal year, the variance between budgeted and actual revenues was \$0.5 million, or 0.2 percent of budget.

At the end of the fiscal year, the General Fund's budget for Water Resources reflected \$4.1 million remaining as available balance. The Water Supply Program showed \$2.6 million left unspent due primarily to outstanding encumbrances (\$2.5 million) of which \$1.8 million were for Intergovernmental Agreements relating to Alternative Water Supply and Water Savings Incentive Program initiatives, and the remainder associated with various other Water Supply Projects.

At the end of fiscal year 2009, the General Fund's budget for Corporate Resources reflected \$8.4 million remaining as available balance. The majority of this available balance resides in the Mission Support Program. The Mission Support Program reflects \$8.0 million in unspent budget authority due largely to outstanding encumbrances (\$4.0 million) and actual tax collector's/county appraisal's fees (\$1.3 million) which were less than budgeted amounts.

The final amended General Fund budget also included over \$21.1 million in reserves comprised of managerial reserves of \$18.0 million and \$3.1 million in contingency reserves. The District does not spend directly out of managerial reserve accounts. The use of this funding is handled through Governing Board budget transfer approval, which authorizes the movement of budget authority out of managerial reserves and/or contingency reserves to a District program within a resource area's operating or capital budget.

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of September 30, 2009, the District's investment in capital assets, net of accumulated depreciation, was \$4.11 billion, up \$0.07 billion from \$4.04 billion at the end of fiscal year 2009. This investment in capital assets includes land, buildings, equipment, canals and levees, water control structures, and construction in progress.

	<b>Capital Assets (net of depreciation)</b>	
	<u>2009</u>	<u>2008 (As Restated)</u>
Land	\$ 2,383,611,665	\$ 2,369,240,023
Canals and Levees	554,743,051	550,364,249
Buildings	48,895,275	42,861,889
Equipment	70,845,455	70,993,940
Improvements	13,539,225	12,300,768
Water Control Structures	473,516,925	451,275,616
Construction in Progress	<u>569,531,421</u>	<u>548,795,391</u>
Total	<u>\$ 4,114,683,017</u>	<u>\$ 4,045,831,876</u>

Major capital asset events during the current fiscal year included the following:

**Land Acquisition Highlights**

The District expended \$13.4 million during fiscal year 2009 for acquisition of land to be used in District programs as follows:

- \$1.6 million of land acquisitions related to the CERP Program
- \$8.1 million of land acquisitions in progress related to the River of Grass
- \$2.4 million of land acquisitions related to District facilities and operations
- \$2.3 million of land acquisitions related to multiple other projects

**Canals and Levees Construction Highlights**

- \$2.7 million of construction completed to upgrade the S-127 Intake Canal

**Water Control Structures Construction Highlights**

- \$21.0 million of construction completed on Lake Okeechobee Stability Weirs (S-65, S-71 and S-72)
- \$7.9 million of construction completed on Pump Station S-127 upgrades
- \$4.4 million of construction completed on STA-5 Enhancement Projects

Additional information on the District's capital assets can be found in Note 9 on page III-27 of this report.



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**LONG-TERM DEBT ADMINISTRATION**

At the end of fiscal year 2009, the District had \$576.9 million in total outstanding long-term debt, representing a decrease of \$56.9 million from the prior year. The majority of the balance is comprised of bonds, bank loans, and Certificates of Participation totaling \$576.7 million.

**Long-term Debt Outstanding**

	<u>2009</u>	<u>2008</u>
Special Obligation Land Acquisition Bonds	\$ 41,350,000	\$ 46,325,000
Bank Loans	5,950,678	7,783,160
Certificates of Participation	529,430,000	538,445,000
Land Purchase Payable	-	40,910,434
Capital Leases	<u>200,330</u>	<u>393,491</u>
Total	<u>\$ 576,931,008</u>	<u>\$ 633,857,085</u>

The Special Obligation Land Acquisition Refunding Bonds Series 2002 (\$15.6 million) and Series 2003 (\$25.8 million) finance the acquisition of environmentally sensitive lands. Documentary stamp tax revenues provided through the State of Florida's Water Management Lands Trust Fund secure the repayment of this debt.

At the end of fiscal year 2009, the outstanding balance on commercial bank debt was approximately \$6.0 million. This amount represents two lines of credit and a bank loan. The lines of credit were obtained to fund the conversion of a telemetry system from analog to digital and the bank loan to fund the implementation of the District's Enterprise Resource Planning (ERP) system.

In November 2006, the District issued \$546.1 million in Certificates of Participation to provide for the lease-purchase financing of the acquisition, construction, and equipping of certain expedited Everglades Restoration projects. The outstanding balance at the end of fiscal year 2009 was \$529.4 million.

During the fiscal year, Moody's Investor Services ("Moody's), Standard and Poor's (S&P), and Fitch Ratings downgraded the District's bond insurer, AMBAC Assurance Corporation. Previously, all debt issued by the District carried an AAA "insured" crediting rating. This downgrade of the District's insurer has caused the rating on all District debt to be based on the District's underlying "non-insured" credit rating. At September 30, 2009, the District's COPS were rated AA3, AA+ and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A2, A+ and A- by Moody's, S&P and Fitch Ratings, respectively. A bond rating indicates the investment quality of the bonds, which is based on an assessment of the economic and financial condition of the agency, and is reflective of the overall managerial expertise of the agency. The District strives to maintain this superior bond rating for its obligations in order to realize more favorable borrowing costs.

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**Debt Management Policy**

The District is not legally restricted as to the amount of debt that can be issued; however, guidelines on debt limits are included in the District's *Debt Management Policy*. During the 1990's, the District made a commitment to the citizens of South Florida to operate in accordance with sixteen guiding principles designed to achieve and maintain the highest standards of fiscal accountability. The Governing Board of the District adopted a *Debt Management Policy* in May 1993, which was updated in April 2005 and revised again in October 2008. The policy and related guidelines enables the District to identify and address potential concerns and alternatives early in the capital planning and debt issuance process.

The policy directs the District to:

- Exhibit purposeful restraint in incurring debt.
- Follow a policy of full disclosure in all financial reports and official statements issued for indebtedness.
- Refrain from issuing short-term debt that requires repeated annual appropriation.
- Limit long-term debt to no more than the estimated life of the capital assets financed and refrain from issuing debt to finance current operations or normal maintenance.
- Project debt requirements on a five-year basis to facilitate better short-term decisions in light of other priorities that may arise, and examine the longer-range implications and effects of debt issuance.

Included in the District's adopted *Debt Management Policy* are benchmarks which are self-imposed boundaries and not statutorily established levels of acceptance dedicated to prudent debt management. The District's debt burden shall not exceed the benchmark levels, as described below, and no additional debt shall be authorized if the projected debt burden would exceed these levels:

- The net debt per capita shall not exceed \$350.
- Debt service shall not exceed 30 percent of revenues legally available to the District to pay debt service, including, but not limited to, the available ad-valorem revenues, related interest income thereon and permit fee revenue.
- The debt-to-assessed value shall not exceed .30 percent of the assessed value of property within the District.

A recent change in Florida Statute requires that total annual debt service for debt issued after January 1, 2009 cannot exceed 20 percent of the annual ad valorem tax revenues, unless approved by the Joint Legislative Budget Commission.

Additional information about the District's long-term debt can be found in Note 10 on pages III-28 through III-31 of this report.

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

**Economic Outlook**

The District developed a series of revenue assumptions used during the preparation of its 2010 fiscal year budget. These revenue assumptions were based on current and projected economic indicators and historical trends. The Florida Department of Revenue and the State Ad Valorem Estimating Conference provided county projection data and trends in ad valorem tax-roll growth rates over a five-year period along with tax reform legislation which was analyzed by the District's Budget Office. Revenue-collection history and information supplied by various departments within the District were used to determine all remaining ad valorem and ad valorem related sources. The District's dedicated revenue assumptions were formulated using information from state trust fund balances and from agreements with federal, state and local governments.

As in prior fiscal years, ad valorem property taxes continue to be the District's largest single, ongoing source of revenue. Excluding the anticipated proceeds from a second COPS issuance in fiscal year 2010, 54.9 percent of the District's fiscal year 2010 budget is projected to be funded through ad valorem tax revenues.

The remaining revenue budget includes anticipated funding from local, state and federal sources, as well as from fees and investment earnings. Taxable property values within the District decreased by 4.1 percent from \$936.1 billion in 2008 to \$894.7 billion in 2009. Ad valorem taxes projected for fiscal year 2010 are \$459.9 million, an estimated \$68.3 million less than the prior year due to the slowing real estate market coupled with the devaluation of properties and the high rate of foreclosures. As a result, fiscal year 2010 reflects budget reductions in the following areas: alternative water supply, water quality projects for estuaries, Everglades Stormwater Treatment Areas and Long-Term Plan activities, capital projects refurbishment and operating costs such as travel, training, conferences, professional memberships, equipment and performance-based salary increases.

State revenues have also been declining recently, which is the District's second major source of revenue. The State of Florida has been impacted by the current economic factors resulting in overall lower revenue estimates and actual collections. As a result, the amounts that the State of Florida appropriated for District projects are less than in prior fiscal years. Due to these reductions, decreases in the District's budget are reflected in alternative water supply, surface water improvement and other water resource projects.

The District recognizes the importance of how available revenues can change in response to economic factors. There are many economic factors to consider and monitor relating to the District and changes in these economic factors directly impact the District's financial health and future revenue outlook.

The discussion in this section will focus on economic factors and property tax reform legislation affecting the District's ad valorem revenue budget. The following factors were considered in preparing the District's budget for the 2010 fiscal year.

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**Property Values**

Property values have a very large and direct impact on ad valorem taxes. An increase in property value will often be an indicator of a healthy economy. Counties experiencing population and economic growth are likely to enjoy a per unit long-term increase in property value due to increased demand for homes. Changes in property value are important to the District because ad valorem taxes are the primary revenue source for the agency.

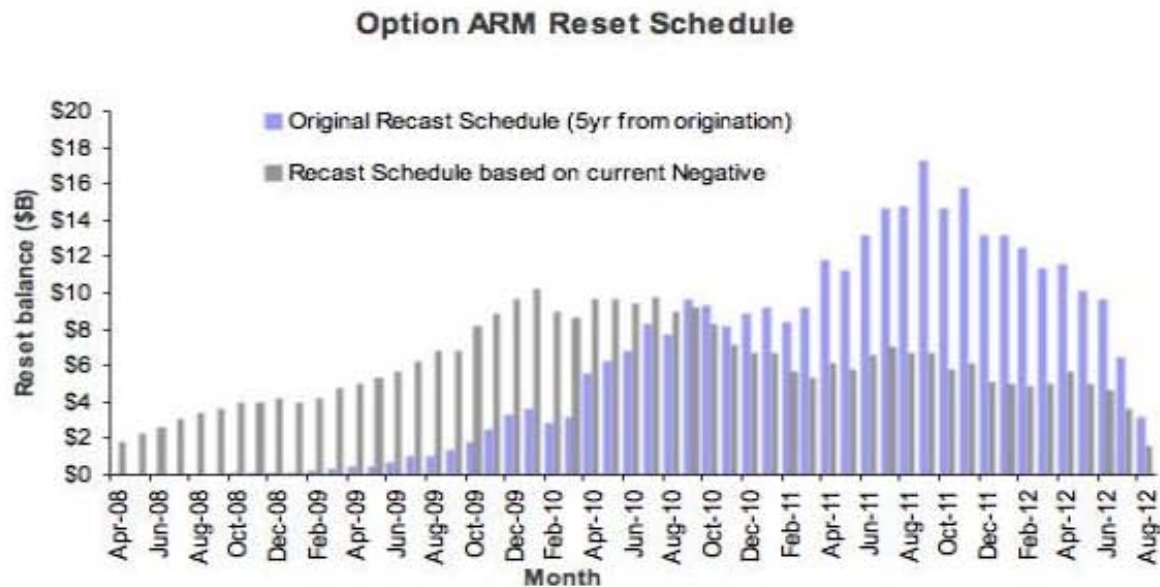
The housing market has deteriorated significantly since its peak at the end of 2006 and Florida has been one of the hardest hit states along with California, Arizona and Nevada. The current housing downturn can be attributed to soaring home prices and over-supply from investors. The high prices and over-supply resulted from the easing of underwriting standards and the increased appetite for risk over the past several years making it less difficult for prospective homebuyers to qualify for a mortgage. In order to afford a home with the record price increases seen throughout the majority of the country in the first half of the decade, homebuyers became increasingly dependent on exotic mortgage products intended to reduce down payments and monthly payments. This scenario caused lenders to qualify borrowers for loans based on “teaser” interest rates and not the fully amortized costs of the mortgage. However, the lender was risking foreclosure if property values did not increase during the initial “teaser” period allowing the borrower to refinance to an affordable long-term fixed interest rate.

**Interest Rate Resets**

A popular exotic mortgage product was the negative amortization loan (also referred to as an Option Adjustable Rate Mortgage). A negative amortization mortgage provided homebuyers with an extra payment option each month. In addition to paying the fully amortized payment or only the interest costs, a negative amortization loan actually allowed borrowers to make a “minimum” payment that was less than the interest costs (similar to credit cards). The minimum payment option results in a homebuyer accumulating negative equity in their home, absent an increase in the value of the house.

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The original recast schedule was set for five years, however many loans will recast sooner because most borrowers were only making the “minimum” payment and the mortgage has specific loan caps built-in (See **Graph below**). Consequently, as loan balances arrive at the built in caps (usually between 110 and 125 percent of the initial loan amount) they will automatically recast to the fully amortized rate (roughly 1 to 2 percent higher).



**SOURCE: Credit Suisse**

### **Foreclosures**

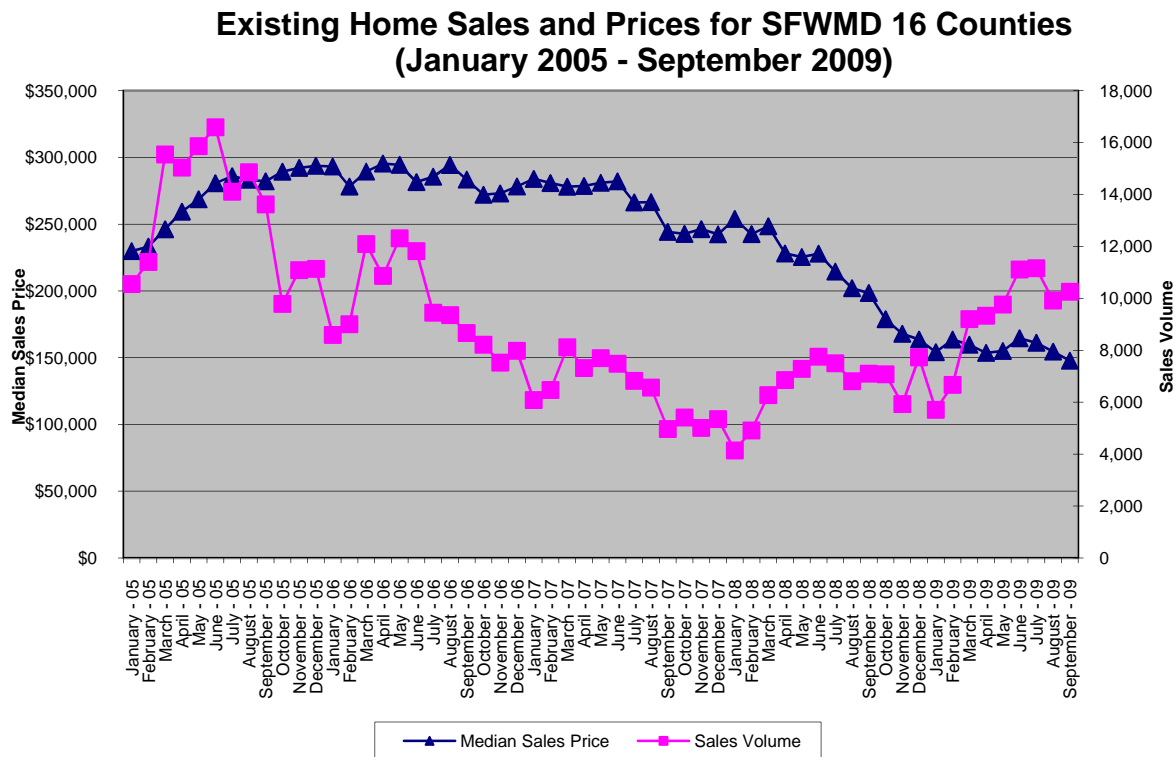
Foreclosures for Broward, Lee, Miami-Dade, Orange and Palm Beach counties (which represents 80 percent of the District’s tax base) in September 2009 increased by 151.1 percent (4,223 in 2007 and 10,603 in 2009) compared to September 2007 before the housing crisis began. However, the absolute number of homes entering foreclosure each month does not clearly depict the effect and timing on future housing supply. There are three basic stages of the foreclosure process and it may take anywhere from six to twelve months for a home to move through the entire foreclosure process and finally end up as a unit of inventory.

The first stage of foreclosure begins after a homeowner misses a mortgage payment and the lender begins its collection efforts. This stage usually lasts for ninety days and if payment is still not received after that timeframe, a Notice of Default (NOD) is filed. The second stage begins approximately ninety days after the NOD, where a Notice of Trustee Sale (NTS) or Notice of Foreclosure Sale (NFS) is made, which serves as a public announcement of an upcoming auction for the home. The third stage begins three weeks after the NTS sale and a public auction is held for the property. If the home sells at the auction, then the foreclosure is removed from the foreclosure data. However, if the home is not sold in the auction, then the property becomes Real Estate Owned (REO). This is when the property is passed onto the lender and it is the bank’s responsibility to sell the home. Since banks are not in the business of selling homes, prices are usually slashed significantly on these properties.

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2009**

## **Home Prices**

The Federal Housing Finance Agency's House Price Index indicates that home prices have fallen 12.37 percent in Florida since September 2008. The index is based on single-family properties transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. **The Graph below** shows the gap between the supply and demand of the South Florida real estate market.



**SOURCE: Florida Association of Realtors, Florida Sales Report**

## **Commercial Real Estate Prices**

Demand for commercial properties has decreased over the last year, bringing down prices and rents while increasing vacancy rates. In addition, maturing commercial debt was met with little available credit, leading to an increase in delinquencies and distressed properties. For example, delinquent commercial real estate loans in bank portfolios have doubled when compared to the level of a year earlier. Just like the residential real estate market, Florida has been hit hard; currently the state ranks second in the U.S. for delinquent commercial real estate loans.

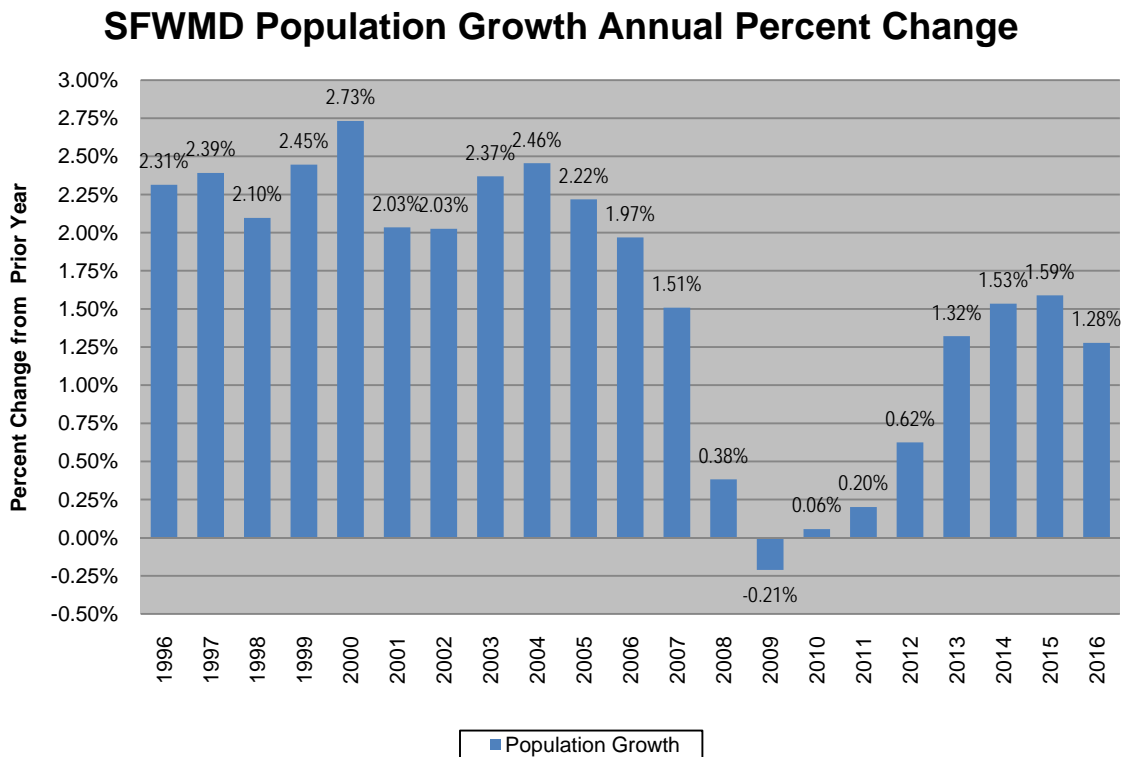
Commercial mortgages are structured differently from residential mortgages; they require low monthly payments for the term of the loan, with a large balloon payment due at the loan's maturity. Over half of the market's financing was generated from Commercial Mortgage Backed Securities (CMBS), which are a type of bond that uses commercial rather than residential real estate. However, investors have been reluctant to purchase CMBS bonds and this source of financing has been absent from the market when commercial mortgages are maturing. At the same time, banks have tightened their underwriting standards and are reluctant to approve loans in the residential and commercial real estate markets.

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**Population Growth**

Another economic factor driving ad valorem taxes is population growth and the impact that has on property values. Population growth impacts property values because as the population increases, demand for homes increases, which results in higher property values. This relationship between the real estate market and change in population will affect District revenues because ad valorem taxes are collected from property owners based on property values set by the respective county property appraiser. It is important to monitor population trends to effectively develop future budgets capable of being supported by the tax base.

In 2008, the population of this agency's jurisdiction increased by 0.38 percent, which is a decrease from the prior year's growth of 1.51 percent. From 2004 to 2008 the population growth across the District averaged 1.71 percent. The consistent increase in population throughout Southern Florida has been going on for the past sixty years and for the first time in the state's history there will be a population decrease (See Graph below).



Source: Florida Demographic Estimating Conference, February 2009

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**General Fund – Unreserved Fund Balance**

At the end of fiscal year 2009, the total unreserved fund balance in the General Fund is \$81.1 million. This represents a decrease of \$3.9 million or approximately 4.6 percent from fiscal year 2008. The District has appropriated \$16.3 million of the \$81.1 million for spending in the fiscal year 2010 budget.

The District also designates a portion of its unreserved fund balance for Economic Stabilization. Presently, the District has placed in its General Fund's Designated for Economic Stabilization, a total of \$12.6 million to safeguard against short-term fluctuations in statewide economic activity. This amount is computed as a minimum of 5.0 percent of total general fund revenues.

**NEXT YEAR'S BUDGETS AND RATES**

The District's fiscal year 2010 adopted millage rates have remained the same as the fiscal year 2009 rates. In FY2010, all property owners within the District's boundaries will be assessed the same District-at-Large millage rate of .2549 mills. In addition, property owners within the Okeechobee Basin will be assessed both the Okeechobee Basin tax rate of .2797 mills and the Everglades Construction Project tax rate of .0894 mills, which are each the same as fiscal year 2009, for a combined tax assessment of .6240 mills. Property owners within the Big Cypress Basin will be assessed the Big Cypress Basin millage rate of .2265 mills, which is unchanged from fiscal year 2009 and the District-at-Large tax rate of .2549 mills, for a combined tax assessment of .4814 mills. State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (80 cents per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).

The District's approved budget for fiscal year 2010 totals \$1.673 billion, an increase of approximately \$311 million from the fiscal year 2009 amended budget of \$1.362 billion. This increase is directly attributable to the potential land acquisition for the purpose of Everglades Restoration to be financed through Certificates of Participation proceeds. During the fiscal year a Revised Purchase Agreement was executed under which the District would take ownership of approximately 73,000 acres of land and improvements for a purchase price of \$536 million, including 33,000 acres of citrus lands and 40,000 acres of sugarcane lands. The District would also have a three year exclusive option to purchase the remaining 107,000 acres for approximately \$790 million and a non-exclusive option for the following seven years to purchase the option lands at fair market value. At slightly less than appraised value, the revised purchase reduces the immediate public investment by 60 percent, or \$790 million, and annual debt service payments by an estimated \$65 million. The seller would lease back the 40,000 acres of sugarcane lands from the District at \$150 per acre for seven years, with provisions to extend up to 20 years. The District has the right to terminate portions of the leased property under a "takedown" schedule, including all of the citrus lands with twelve months' notice, and 10,000 acres of sugarcane lands within the first 10 years and an additional 10,000 acres within the second 10 years with two years' notice. The District's take down rights are substantially enhanced if the District exercises the option to purchase.

The District is currently proceeding with due diligence matters including identifying title matters requiring further action, reviewing surveys and identifying objectionable survey matters and identifying all deliverables that must occur at or prior to the closing. The District is also negotiating a number of side agreements identified in the Revised Purchase Agreement including access and drainage agreements, modifications to existing third party agreements that affect title, and development of an agreement for relocating portions of the seller's railroad that may be required due to impacts from anticipated project construction.



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MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

This acquisition is intended to be financed through the issuance of Certificates of Participation. COPS are a public financing mechanism, which can only be used to finance capital costs related to construction or acquisition and may not be used to finance ongoing operational costs. After authorization by the Governing Board to issue the COPS, the District began the bond validation process. This is a statutory process that permits an agency to have a court validate the type and purpose of the bonds to be issued in order to eliminate any challenges under state law to the legality of the bonds. After initial review by the Palm Beach County Circuit Court, the court granted a Final Judgment to the District approving the use of COPS to finance this land acquisition. This ruling has been appealed to the Florida Supreme Court. The briefing of the case has been completed and all necessary actions have been taken to submit the case to the Supreme Court. Oral arguments are scheduled to go before the Court on April 23, 2010.

**Requests for Information**

The District's basic financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's Director of Accounting and Financial Services at P.O. Box 24680, West Palm Beach, Florida 33416-4680.



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# **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**



South Florida Water Management District  
Statement of Net Assets  
September 30, 2009

	Total Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$550,079,092
Accounts Receivable	2,465,643
Due from Other Governments	23,168,085
Inventory	3,767,552
Other Assets	6,829,936
Restricted Assets:	
Temporarily Restricted - Cash and Investments	369,835,726
Permanently Restricted - Cash and Investments	10,262,096
Capital Assets	
Land	2,383,611,665
Construction In Progress	569,531,421
Canals and Levees	554,743,051
Other Capital Assets, Net of Depreciation	606,796,880
Total Assets	<u>5,081,091,147</u>
<b>LIABILITIES</b>	
Accounts Payable	74,292,737
Due to Other Governments	892,450
Unearned Revenue	409,069
Noncurrent Liabilities:	
Due Within One Year	
Bonds Payable	5,190,000
Bond Premiums / Discounts	214,694
Bank Loans Payable	1,832,482
Certificates of Participation Payable	9,370,000
Certificates of Participation Premiums / Discounts	1,717,693
Capital Leases Payable	200,330
Compensated Absences	8,295,250
Self-Insurance Claims Payable	988,997
Due in More Than One Year	
Bonds Payable	36,160,000
Bond Premiums / Discounts	458,247
Bank Loans Payable	4,118,196
Certificates of Participation Payable	520,060,000
Certificates of Participation Premiums / Discounts	19,328,706
Compensated Absences	16,704,750
OPEB Obligation	7,940,406
Self-Insurance Claims Payable	5,496,003
Total Liabilities	<u>713,670,010</u>
<b>NET ASSETS</b>	
Invested In Capital Assets, Net of Related Debt	3,788,956,243
Restricted for:	
Debt Service	28,523,676
Wetlands Mitigation	
Expendable	16,476,384
Nonexpendable	10,262,096
Environmental Programs	51,814,854
Unrestricted	471,387,884
Total Net Assets	<u><u>\$4,367,421,137</u></u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Activities  
For the Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Land Stewardship	\$10,738,916	\$3,207,336	\$4,499,763	\$753,298	(\$2,278,519)
District Everglades	63,833,971	-	282,765	2,000,000	(61,551,206)
Operations and Maintenance	122,678,739	73,585	15,570,381	29,128	(107,005,645)
Water Supply	31,382,864	-	7,638,874	-	(23,743,990)
Kissimmee Watershed	6,935,126	-	123,563	8,289,538	1,477,975
Regulation	19,471,100	6,061,734	16,364	-	(13,393,002)
Lake Okeechobee	16,938,853	-	1,731,316	3,845,913	(11,361,624)
Coastal Watersheds	27,699,261	-	8,901,483	559,308	(18,238,470)
Mission Support	105,245,086	99,733	-	12,000	(105,133,353)
Comprehensive Everglades Restoration Plan	48,209,647	-	-	38,516,968	(9,692,679)
Modeling & Scientific Support	15,967,281	-	22,687	-	(15,944,594)
Interest on Long Term Debt	26,880,613	-	-	7,023,871	(19,856,742)
Total	<u>\$495,981,457</u>	<u>\$9,442,388</u>	<u>\$38,787,196</u>	<u>\$61,030,024</u>	(386,721,849)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes					451,384,521
Property Taxes, Levied for Everglades Construction					81,045,067
Investment Earnings					28,483,350
Miscellaneous					26,747,397
Total General Revenues					<u>587,660,335</u>
Change in Net Assets					200,938,486
Net Assets - Beginning (As Restated)					<u>4,166,482,651</u>
Net Assets - Ending					<u>\$4,367,421,137</u>

See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2009

Page 1 of 3

	General	Okeechobee Basin SR	State Appropriations
<b>ASSETS</b>			
Cash and Investments	\$107,646,274	\$79,127,392	\$19,235,954
Cash Held by Trustee	-	-	-
Accounts Receivable	607,155	542,723	-
Due from Other Governments	3,673,981	3,863,635	7,751,304
Due from Other Funds	1,226,167	1,819,596	-
Inventory	2,895	3,701,410	-
Other Assets	180,950	-	-
	<u>\$113,337,422</u>	<u>\$89,054,756</u>	<u>\$26,987,258</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$24,571,868	\$4,341,277	\$1,333,702
Due to Other Governments	-	-	862,576
Due to Other Funds	-	-	-
Deferred Revenue	49,513	-	-
	<u>24,621,381</u>	<u>4,341,277</u>	<u>2,196,278</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	7,628,905	3,631,979	12,775,431
Inventory	2,895	3,701,410	-
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	16,334,101	-	-
Designated for Economic Stabilization	12,592,000	-	-
Designated for Insurance Claims	9,429,321	-	-
Undesignated	42,728,819	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	18,880,762	10,942,837
Designated for Economic Stabilization	-	12,057,000	-
Undesignated	-	46,442,328	1,072,712
Capital Projects Funds			
Designated for Subsequent Years Expenditures	-	-	-
Undesignated	-	-	-
Permanent Fund			
Undesignated	-	-	-
	<u>88,716,041</u>	<u>84,713,479</u>	<u>24,790,980</u>
Total Fund Balances (Deficits)	<u>\$113,337,422</u>	<u>\$89,054,756</u>	<u>\$26,987,258</u>
Total Liabilities and Fund Balances	<u>\$113,337,422</u>	<u>\$89,054,756</u>	<u>\$26,987,258</u>

See Accompanying Notes to the Financial Statements

Continued

South Florida Water Management District  
Balance Sheet  
Governmental Funds  
September 30, 2009

	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
<b>ASSETS</b>			
Cash and Investments	\$93,438,184	\$185,789,973	\$1,451,915
Cash Held by Trustee	-	-	-
Accounts Receivable	431,079	327,587	170,979
Due from Other Governments	2,313,054	-	1,973,388
Due from Other Funds	4,400,857	-	-
Inventory	-	-	-
Other Assets	-	-	-
Total Assets	<u>\$100,583,174</u>	<u>\$186,117,560</u>	<u>\$3,596,282</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$6,017,962	\$2,264,928	\$3,614,501
Due to Other Governments	-	-	7,379
Due to Other Funds	-	-	-
Deferred Revenue	-	59,556	-
Total Liabilities	<u>6,017,962</u>	<u>2,324,484</u>	<u>3,621,880</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	6,775,617	4,466,540	6,673,202
Inventory	-	-	-
Acquisition of Land	-	-	-
Enhancement of Land	-	-	-
Long-term Management of Land	-	-	-
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Designated for Insurance Claims	-	-	-
Undesignated	-	-	-
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	-	-
Designated for Economic Stabilization	-	-	-
Undesignated	-	-	-
Capital Projects Funds			
Designated for Subsequent Years Expenditures	12,337,353	52,870,915	-
Undesignated	75,452,242	126,455,621	(6,698,800)
Permanent Fund			
Undesignated	-	-	-
Total Fund Balances (Deficits)	<u>94,565,212</u>	<u>183,793,076</u>	<u>(25,598)</u>
Total Liabilities and Fund Balances	<u>\$100,583,174</u>	<u>\$186,117,560</u>	<u>\$3,596,282</u>

See Accompanying Notes to the Financial Statements



	Acceler8 Everglades Construction Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ -	\$170,466,410	\$657,156,102
Cash Held by Trustee	243,604,381	29,416,431	273,020,812
Accounts Receivable	-	386,120	2,465,643
Due from Other Governments	-	3,592,723	23,168,085
Due from Other Funds	-	-	7,446,620
Inventory	-	63,247	3,767,552
Other Assets	-	464,787	645,737
Total Assets	<u>\$243,604,381</u>	<u>\$204,389,718</u>	<u>\$967,670,551</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$8,986,376	\$9,073,932	\$60,204,546
Due to Other Governments	-	22,495	892,450
Due to Other Funds	4,400,857	3,045,763	7,446,620
Deferred Revenue	-	300,000	409,069
Total Liabilities	<u>13,387,233</u>	<u>12,442,190</u>	<u>68,952,685</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	11,332,411	24,296,796	77,580,881
Inventory	-	63,247	3,767,552
Acquisition of Land	-	4,109,822	4,109,822
Enhancement of Land	-	12,366,563	12,366,563
Long-term Management of Land	-	10,262,096	10,262,096
Unreserved, Reported in:			
General Fund			
Designated for Subsequent Years Expenditures	-	-	16,334,101
Designated for Economic Stabilization	-	-	12,592,000
Designated for Insurance Claims	-	-	9,429,321
Undesignated	-	-	42,728,819
Special Revenue Funds			
Designated for Subsequent Years Expenditures	-	24,468,302	54,291,901
Designated for Economic Stabilization	-	939,000	12,996,000
Undesignated	-	22,278,250	69,793,290
Capital Projects Funds			
Designated for Subsequent Years Expenditures	151,960,397	28,470,612	245,639,277
Undesignated	66,924,340	64,730,623	326,864,026
Permanent Fund			
Undesignated	-	(37,783)	(37,783)
Total Fund Balances (Deficits)	<u>230,217,148</u>	<u>191,947,528</u>	<u>898,717,866</u>
Total Liabilities and Fund Balances	<u>\$243,604,381</u>	<u>\$204,389,718</u>	<u>\$967,670,551</u>

South Florida Water Management District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
September 30, 2009

Fund balances - total governmental funds		\$898,717,866
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$4,341,736,767	
Less accumulated depreciation	<u>(227,053,750)</u>	4,114,683,017

Long term liabilities not due and payable in the current period are not reported in the governmental funds.

Bonds payable	(41,350,000)	
Bond premiums / discounts	(672,941)	
Bank loans payable	(5,950,678)	
Certificates of participation payable	(529,430,000)	
Certificates of participation premiums / discounts	(21,046,399)	
Capital leases payable	(200,330)	
Compensated absences	(25,000,000)	
Other post employment benefits (OPEB)	(7,940,406)	
Self-insurance claims payable	<u>(6,485,000)</u>	(638,075,754)

The difference between retired debt and new debt is amortized as an adjustment of interest expense in the statement of activities over the remaining life of the debt. The discounts, premiums, and issuance costs on the debt are not deferred in governmental funds, but rather are recognized as other financing sources or uses when the debt is issued.

Unamortized debt issuance costs - bonds	284,244	
Unamortized debt issuance costs - certificates of participation	4,215,357	
Unamortized deferred interest	<u>1,684,598</u>	6,184,199

Bond and certificates of participation interest due October 1, 2009 are not reported as a liability of the governmental funds.

Accrued interest payable - bonds	(1,042,087)	
Accrued interest payable - certificates of participation	<u>(13,046,104)</u>	<u>(14,088,191)</u>

Net assets of governmental activities		<u>\$4,367,421,137</u>
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See Accompanying Notes to the Financial Statements

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2009

Page 1 of 3

	General	Okeechobee Basin SR	State Appropriations
REVENUES			
Ad Valorem Property Taxes	\$217,148,932	\$217,029,985	\$ -
Agricultural Privilege Taxes	-	-	-
Intergovernmental	114,868	7,607,440	12,838,391
Investment Earnings	4,916,503	3,841,235	-
Licenses, Permits and Fees	3,292,895	89,610	-
Self-Insurance Premiums	2,548,463	-	-
Sale of District Property	22,990	271,579	-
Indirect Costs Recovered	6,885,448	-	-
Leases	97,733	-	-
Other	1,101,374	60,047	-
	<hr/>	<hr/>	<hr/>
Total Revenues	236,129,206	228,899,896	12,838,391
EXPENDITURES			
Current Operating			
Land Stewardship	75,779	728,179	-
District Everglades	463	1,292	114,154
Operations and Maintenance	12,207,533	69,205,532	72,267
Water Supply	21,382,353	441,690	7,359,440
Kissimmee Watershed	165,881	6,042,806	-
Regulation	19,371,188	87,043	-
Lake Okeechobee	281,790	10,631,501	-
Coastal Watersheds	4,519,507	4,135,706	10,548,073
Mission Support	89,006,904	12,773,463	-
Comprehensive Everglades Restoration Plan	818,847	379,862	244,836
Modeling & Scientific Support	16,781,031	-	-
Capital Outlay	-	-	-
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	1,142,857	689,625	-
Bank Loan Interest	216,000	63,620	-
Capital Lease Principal Payments	-	193,161	-
Capital Lease Interest	-	12,712	-
COPS Bond Principal Retirement	-	-	-
COPS Bond Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	165,970,133	105,386,192	18,338,770
Revenues in Excess of (Less than) Expenditures	<hr/>	<hr/>	<hr/>
	70,159,073	123,513,704	(5,500,379)
OTHER FINANCING SOURCES (USES)			
Transfers In	113,924	132,000	-
Transfers Out	(75,835,860)	(112,818,396)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(75,721,936)	(112,686,396)	-
Net Change in Fund Balances	<hr/>	<hr/>	<hr/>
	(5,562,863)	10,827,308	(5,500,379) 30,291,359
Fund Balances at Beginning of Year	94,278,904	73,886,171	<hr/>
	<hr/>	<hr/>	<hr/>
Fund Balances (Deficits) at End of Year	\$88,716,041	\$84,713,479	\$24,790,980
	<hr/>	<hr/>	<hr/>

See Accompanying Notes to the Financial Statements

Continued

South Florida Water Management District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2009

	Everglades Trust Fund	Comprehensive Everglades Restoration Plan (CERP)	Save Our Everglades
REVENUES			
Ad Valorem Property Taxes	\$69,369,559	\$ -	\$ -
Agricultural Privilege Taxes	11,675,508	-	-
Intergovernmental	2,126,336	-	38,416,555
Investment Earnings	3,609,945	2,181,521	-
Licenses, Permits and Fees	-	-	-
Self-Insurance Premiums	-	-	-
Sale of District Property	-	-	-
Indirect Costs Recovered	-	-	-
Leases	-	-	616,280
Other	132,850	202,899	-
Total Revenues	86,914,198	2,384,420	39,032,835
EXPENDITURES			
Current Operating			
Land Stewardship	-	-	-
District Everglades	30,691,679	-	-
Operations and Maintenance	-	-	-
Water Supply	-	-	-
Kissimmee Watershed	-	-	-
Regulation	-	-	-
Lake Okeechobee	-	-	3,704,586
Coastal Watersheds	-	-	1,153,227
Mission Support	-	-	-
Comprehensive Everglades Restoration Plan	-	25,676,247	157,089
Modeling & Scientific Support	-	-	-
Capital Outlay	11,681,671	29,054,613	36,103,247
Debt Service			
Bond Principal Retirement	-	-	-
Bond Interest	-	-	-
Bank Loan Principal Payments	-	-	-
Bank Loan Interest	-	-	-
Capital Lease Principal Payments	-	-	-
Capital Lease Interest	-	-	-
COPS Bond Principal Retirement	4,985,565	4,029,435	-
COPS Bond Interest	14,527,320	11,741,273	-
Total Expenditures	61,886,235	70,501,568	41,118,149
Revenues in Excess of (Less than) Expenditures	25,027,963	(68,117,148)	(2,085,314)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	142,350,268	-
Transfers Out	(19,531,070)	-	-
Total Other Financing Sources (Uses)	(19,531,070)	142,350,268	-
Net Change in Fund Balances	5,496,893	74,233,120	(2,085,314)
Fund Balances at Beginning of Year	89,068,319	109,559,956	2,059,716
Fund Balances (Deficits) at End of Year	\$94,565,212	\$183,793,076	(\$25,598)

See Accompanying Notes to the Financial Statements

	Acceler8 Everglades Construction Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$ -	\$17,205,604	\$520,754,080
Agricultural Privilege Taxes	-	-	11,675,508
Intergovernmental	-	36,205,678	97,309,268
Investment Earnings	9,212,556	4,721,590	28,483,350
Licenses, Permits and Fees	-	3,155,827	6,538,332
Self-Insurance Premiums	-	-	2,548,463
Sale of District Property	41,125	7,065	342,759
Indirect Costs Recovered	-	-	6,885,448
Leases	-	2,190,042	2,904,055
Other	287,520	9,388,768	11,173,458
Total Revenues	9,541,201	72,874,574	688,614,721
<b>EXPENDITURES</b>			
Current Operating			
Land Stewardship	-	9,807,909	10,611,867
District Everglades	158,718	15,705,485	46,671,791
Operations and Maintenance	-	27,894,872	109,380,204
Water Supply	-	1,986,651	31,170,134
Kissimmee Watershed	-	863,181	7,071,868
Regulation	-	21,298	19,479,529
Lake Okeechobee	-	5,184,875	19,802,752
Coastal Watersheds	-	7,881,742	28,238,255
Mission Support	-	909,469	102,689,836
Comprehensive Everglades Restoration Plan	-	2,903,332	30,180,213
Modeling & Scientific Support	-	-	16,781,031
Capital Outlay	24,033,135	42,296,516	143,169,182
Debt Service			
Bond Principal Retirement	-	4,975,000	4,975,000
Bond Interest	-	1,940,171	1,940,171
Bank Loan Principal Payments	-	-	1,832,482
Bank Loan Interest	-	-	279,620
Capital Lease Principal Payments	-	-	193,161
Capital Lease Interest	-	-	12,712
COPS Bond Principal Retirement	-	-	9,015,000
COPS Bond Interest	-	-	26,268,593
Total Expenditures	24,191,853	122,370,501	609,763,401
Revenues in Excess of (Less than) Expenditures	(14,650,652)	(49,495,927)	78,851,320
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	231,928,900	79,973,233	454,498,325
Transfers Out	-	(246,312,999)	(454,498,325)
Total Other Financing Sources (Uses)	231,928,900	(166,339,766)	-
Net Change in Fund Balances	217,278,248	(215,835,693)	78,851,320
Fund Balances at Beginning of Year	12,938,900	407,783,221	819,866,546
Fund Balances (Deficits) at End of Year	\$230,217,148	\$191,947,528	\$898,717,866

South Florida Water Management District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2009

Net change in fund balances - total governmental funds	\$78,851,320
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlay	\$86,474,677	
Current year depreciation expense	<u>(29,589,563)</u>	56,885,114

The net effect of various transactions involving capital assets (i.e. adjustments, disposals, transfers, donations) is an increase to net assets	11,966,028
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Repayment of borrowed principal from bonds, bank loans, COPS, and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bonds principal payment	4,975,000	
Bank loan principal payment	1,832,482	
COPS principal payment	9,015,000	
Capital lease principal payment	<u>193,161</u>	16,015,643

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in land purchases payable	40,910,434	
Change in long-term compensated absences	(2,453,000)	
Change in long-term self-insurance claims payable	(1,227,475)	
Change in OPEB payable	(2,692,117)	
Change in legal claims payable	49,000	
Bond interest payable at September 30, 2009	(1,042,087)	
Bond interest payable at September 30, 2008	1,186,793	
COPS interest payable at September 30, 2009	(13,046,104)	
COPS interest payable at September 30, 2008	13,222,491	
Debt issuance costs on future certificates	1,013,057	
Amortization of deferred interest on bonds	(280,766)	
Amortization of discount on debt - bonds	(25,424)	
Amortization of discount on debt - certificates	(15,367)	
Amortization of premium on debt - bonds	296,398	
Amortization of premium on debt - certificates	1,717,693	
Amortization of cost of issuance on bonds	(111,222)	
Amortization of cost of issuance on certificates	<u>(281,923)</u>	<u>37,220,381</u>

Change in net assets of governmental activities	<u>\$200,938,486</u>
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See Accompanying Notes to the Financial Statements

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

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**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*(1) DESCRIPTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT*

The South Florida Water Management District (the "District") is a public corporation organized under Florida Statutes, Chapter 373, and is controlled by a Governing Board consisting of nine (9) members appointed by the Governor to staggered four-year terms.

The District covers all or parts of sixteen counties in Central and Southern Florida. The primary objectives of the District are to promote the natural systems protection and restoration, development and proper utilization of surface and ground water within District boundaries, and to prevent damage from floods, soil erosion and excessive drainage. To accomplish these objectives, the District is empowered to manage and regulate the usage and storage of water within District boundaries and to acquire properties and construct facilities as necessary. The District works in concert with the State of Florida (the "State") and agencies of the federal government to accomplish the previously described water management objectives. For financial reporting purposes, the District is a component unit of the State of Florida.

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The more significant accounting policies are summarized in the following paragraphs.

*(a) Reporting Entity*

The District follows the standards promulgated by GASB Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" to determine the inclusion of an organization as part of its reporting entity. The Statement defines the criteria for inclusion as 1) the economic resources received or held by the separate organization are primarily for the direct benefit of the primary government, 2) the primary government is entitled to, or has the ability to access a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by the separate organization on behalf of the specific primary government are significant to that primary government. Based on these criteria, the District has determined that the South Florida Water Management District Leasing Corporation (the "Corporation") is a blended component unit. The Corporation's sole purpose is to provide financing for certain District projects. The Corporation is legally separate from the District and the Board of the Corporation consists of the nine Board members of the District. Therefore, the financial activities of the Corporation have been blended (reported as if it were part of the District) with the activities of the District. The Corporation does not publish individual component unit financial statements. The District is not a participant in any joint venture.

The District is a component unit of the State of Florida. The State provides funding for District programs through the sale of State debt, the sharing of documentary stamp revenues, and the approval of various annual grants and entitlements.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(b) Government-wide and Fund Financial Statements*

The government-wide financial statements, i.e., the statement of net assets and the statement of activities, report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

*(c) Measurement Focus and Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues from property taxes and interest to be available if they are collected within sixty (60) days of the end of the current fiscal period. Intergovernmental revenues are considered to be available if they are received within ten (10) months.

Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty (60) days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized when all eligibility requirements are met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and other post employment benefits (OPEB) are recorded only when payment is due.

The District often acquires land for environmental restoration and related purposes sometimes involving condemnation action in a court of law. Upon action of the Court's Stipulated Order of Taking, the District recognizes an expenditure for the amount deposited with the Court.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(d) Major Funds*

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund, and accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Okeechobee Basin SR Fund accounts for the normal operating expenditures of the Okeechobee Basin, an area covering all or part of fifteen (15) counties in South Florida. Funding is provided by a .2797 mill property tax levy, intergovernmental revenues and permitting fees.

The State Appropriations Fund accounts for expenditures made for various projects utilizing state sources. Among the funding sources are the Ecosystem Management and Restoration Trust Fund, the Water Protection and Sustainability Trust Fund, and various state agencies. While not required to be a major fund, this fund is deemed a major fund and is reported separately due to its high level of public interest.

The Everglades Trust Fund accounts for capital expenditures to construct stormwater treatment areas to cleanse stormwater runoff from the Everglades Agricultural Area (EAA) through naturally occurring biological and physical processes. Additional objectives include hydroperiod restoration and water supply. Funding is provided through a .0894 mill tax levy, non-ad valorem assessments to property owners in the EAA, State and Federal contributions, and interest earnings.

The Comprehensive Everglades Restoration Plan (CERP) Fund accounts for revenues and expenditures associated with projects included in the Central and Southern Florida (C&SF) Restudy and which form the basis of the CERP. These projects are designed to increase the availability of water supplies for consumptive use or cost share with the federal government on regional projects intended to mitigate consequences that are an outgrowth of the original C&SF Flood Control Project. Funding is provided by transfers from the General Fund and Okeechobee Basin SR Fund.

The Save Our Everglades Fund accounts for revenues and expenditures for the Comprehensive Everglades Restoration Plan that are funded from the State's Save Our Everglades Trust Fund.

The Acceler8 Everglades Construction Project Fund accounts for revenues derived from long term debt issued to support the construction of projects in the Everglades/Long Term Plan Implementation Program and expenditures associated with the construction of those projects.

*(e) Budgetary Information*

The District has elected to report budgetary comparisons as required supplementary information (RSI). Please refer to the accompanying notes to the RSI for the District's budgetary information on page IV-10.

*(f) Cash and Investments*

Cash includes currency on hand and demand deposits. The District utilizes pooled cash accounting whereby excess monies are aggregated for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund. Negative cash balances in individual funds are reported as interfund payables with offsetting receivables recorded in loaning fund(s).

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(f) Cash and Investments (continued)*

In accordance with GASB Statement No. 31, the District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment earnings.

The District's investment portfolio is valued based on a blend of third-party market pricing services such as BONDEDGE, FISERV, YELDBOOK and BLOOMBERG.

Non-participating investments, such as non-negotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized costs. The District has investments in two investment pools, Florida Prime, previously known as the Local Government Surplus Funds Trust Fund, Pool A and the Local Government Surplus Funds Trust Fund, Pool B, both of which are administered by the State Board of Administration. Under the guidelines of GASB Statement No. 31, Florida Prime is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. Pool B is accounted for as a fluctuating net asset value (NAV) pool. Investments in Pool B have been valued at their fair value factor as of the balance sheet date.

During the year, the District did not directly invest any resources in derivatives. Investments made through State-administered trust funds may include derivatives. These investments are made on a pooled basis and the individual risk to the District is unknown.

*(g) Inventory*

Inventory is stated at moving average cost and consists of fuel, chemicals and supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are consumed.

*(h) Capital Assets*

Capital assets, which include land, canals and levees, buildings, equipment, vehicles and infrastructure assets (bridges, water control structures), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of one year or more. Items purchased or acquired are reported at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair value on the date donated. Maintenance, repairs and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Expenditures that materially increase values, change capacities or extend useful lives of assets are capitalized. Upon sale or retirement, the costs and their related accumulated depreciation are eliminated from the respective accounts.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(h) Capital Assets (continued)*

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Vehicles	5-25
Equipment	5-25
Buildings	10-40
Improvements Other Than Buildings	12-25
Water Control Structures	25-50

During fiscal year 2009, the District conducted a review of the useful lives of its depreciable assets. As a result of the evaluation, the District has determined that the useful lives of some District assets are longer than originally expected. Based on this determination, a change in accounting estimate has been made. The effect of this change resulted in a reduction of depreciation of approximately \$586,000 for the fiscal year ended September 30, 2009.

Land, canals and levees have indefinite useful lives and as such are not considered to be depreciable capital assets.

*(i) Compensated Absences*

District employees are granted a specific number of vacation and sick leave hours with pay. Non-management employees are permitted to accrue a maximum of 360 hours of vacation as of December 31. Managers are permitted to accrue a maximum of 480 hours of vacation as of December 31. Employees are paid for excess vacation time over the maximum in January. Semi-annually, employees are granted the option to buy-down accrued annual leave, up to a maximum of 80 hours per calendar year. A minimum of 120 hours must be maintained after any buy down. Upon termination of employment, employees are paid for a percentage of unused sick leave after at least six years of service.

The costs of vacation and sick leave benefits (compensated absences) are budgeted and expended in the respective operating funds when payments are made to employees. However, the liability for all accrued and vested vacation and sick leave benefits plus sick leave benefits expected to become vested is recorded in the government-wide financial statements. The District normally liquidates its liability for compensated absences from the General Fund and the Okeechobee Basin Special Revenue Funds.

*(j) Wetlands Mitigation*

The District manages a program for mitigating the impact of wetland destruction through a specialized regulatory permit process. Permit applicants are required to remit a specified cash payment to the District as part of the permit conditions. The permit restricts the use of the funds received by the District to land acquisition, land restoration and long-term management of the lands in areas managed by the District that are near the lands being developed by permittees. The District accounts for the money received to assure it is used only for the approved purpose in the assigned area. Funds received for land acquisition and restoration (expendable) are placed in the Wetlands Mitigation SR Fund. Funds received for long-term management (nonexpendable) are placed in the Wetlands Mitigation Permanent Fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(k) Fund Balances / Net Assets*

In the fund financial statements, reservations of fund balance are reported to indicate that a portion of fund balance is not available for appropriation for expenditure or is legally segregated for a specific purpose. Designations of fund balance identify tentative plans for the future use of financial resources. The undesignated fund balance is available for future appropriation. The types of reserves and designations of the District's fund balance are as follows:

Reserved for Encumbrances - Represents outstanding purchase orders and contracts at fiscal year-end which will be honored in the subsequent fiscal year.

Reserved for Inventory - Represents the value of consumable inventory recorded as an asset but which is unavailable for appropriation.

Reserved for Acquisition of Land and Enhancement of Land - Represents the expendable portion of specialized regulatory permits received by the District, which is accounted for in the Wetland Mitigation Fund. The use of funds is restricted by the permit.

Reserved for Long Term Management of Land - Represents the nonexpendable portion of specialized regulatory permits received by the District, which is accounted for in the Wetland Mitigation Permanent Fund. The use of funds is restricted by the permit.

Designated for Subsequent Years Expenditures - Represents fund balance available as of the end of the current fiscal year which has been budgeted for the subsequent year's expenditures.

Designated for Economic Stability - Represents the amount designated to allow the District to address the impact of emergencies, without utilizing short term borrowings. Board policy requires the amount to be at least 5% of the previous fiscal year's actual revenue from all sources of ad valorem tax-supported funds.

Designated for Insurance Claims - Represents the amount designated for current insurance claims and claims incurred but not reported.

Net assets represent the difference between assets and liabilities and are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The types of reserves the District has of its net assets are:

Restricted for Debt Service - Represents the portion of net assets which is restricted for debt service payments or long-term borrowings.

Restricted for Wetlands Mitigation - Represents the expendable and nonexpendable portions of net assets which are restricted for land acquisition, land restoration and long-term management of the wetlands.

Restricted for Environmental Programs - Represents resources which are restricted in their use through legally enforceable requirements stipulated in legislation. As of September 30, 2009, the District had approximately \$52 million in restricted net assets through enabling legislation.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(l) Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

*(m) Impact of Recently Issued Accounting Policies*

**Recently Issued and Implemented Accounting Policies**

In November 2006, GASB issued Statement No. 49 “Accounting and Financial Reporting for Pollution Remediation Obligations.” This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of this document excludes pollution *prevention* or *control obligations* with respect to current operations, and future pollution remediation activity that are required upon retirement of an asset, such as landfill closures and post-closure care and nuclear power plant decommissioning. The District implemented this Statement during the fiscal year ended September 30, 2009. The implementation had no effect on the District’s financial statements.

In June 2008, GASB issued Statement No. 53 “Accounting and Financial Reporting for Derivative Instruments.” This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The District implemented this Statement during the fiscal year ended September 30, 2009. During the fiscal year, the District did not directly invest any resources in derivatives and accordingly, the implementation had no impact on the District’s financial statements.

In May 2009, GASB issued Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” GASB 55 incorporates the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The District implemented this Statement during the fiscal year ended September 30, 2009. The implementation had no impact on the District’s financial statements.

In May 2009, GASB issued Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.” This Statement incorporates into the Governmental Accounting Standards Board's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. The District implemented this Statement during the fiscal year ended September 30, 2009. The implementation had no effect on the District’s financial statements.

**Recently Issued Accounting Policies, Not Yet Implemented**

In June 2007, GASB issued Statement No. 51 “Accounting and Reporting for Intangible Assets.” The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets. Examples of intangible assets include easements, water rights, timber rights, patents, trademarks, and computer software. This Statement requires that all intangible assets not specifically excluded by its

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

*(m) Impact of Recently Issued Accounting Policies (continued)*

**Recently Issued Accounting Policies, Not Yet Implemented (continued)**

scope provision be classified as capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 and are generally required to be retroactive. The District is required to implement this Statement in its fiscal year beginning October 1, 2009. The District is currently analyzing its accounting practice to determine the potential financial impact of this Statement.

In March 2009, GASB issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement also clarifies the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. This District is required to implement this Statement in its fiscal year beginning October 1, 2010.

*(3) CASH AND INVESTMENTS*

**Statement of Policy**

The purpose of the District's investment policy is to set forth the investment objectives and parameters for the management of public funds of the District. The policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. The most recent revisions to the investment policy were approved by the Governing Board in June 2008.

The District's investment policy authorizes investments in: 1) the Florida Local Government Surplus Funds Trust Fund (which includes Florida Prime and the Local Government Investment Pool), 2) United States government securities unconditionally guaranteed by the full faith and credit of the United States government, 3) United States government agencies backed by the full faith and credit of the United States government, 4) United States government sponsored agencies, 5) interest bearing time deposit or savings accounts of Florida Banks and Savings and Loan Associations approved under Chapter 280, Florida Statutes, 6) commercial paper rated "Prime 1" by Moody's, "A1" by Standard and Poor's or "F-1" by Fitch, 7) corporate notes rated at a minimum "Aa" by Moody's, "AA" by Standard and Poor's or "AA" by Fitch, 8) Bankers Acceptances rated at a minimum "P-1" by Moody's and "A-1" by Standard and Poor's, 9) state and/or local government taxable and/or tax exempt debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard and Poor's or "AA" by Fitch for long term debt or rated at least "MIG-1" by Moody's and "SP-1" by Standard and Poor's for short-term

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(3) CASH AND INVESTMENTS (continued)*

debt, 10) money market mutual funds rated “AAAm” or “AAAM-G” or better by Standard & Poor’s, or the equivalent by another rating agency, 11) master repurchase agreements collateralized by United States government, government agencies and federal instrumentalities, 12) hedging instruments, 13) reverse repurchase agreements and 14) agency mortgage backed securities or non-agency mortgage backed securities that maintain a AAA rating by a nationally recognized statistical rating agency.

As of September 30, 2009, the District had placed approximately 53% of its investments in U.S. Agency Obligations, 36% in Agency Mortgage Backed Securities, 6% in Florida Prime and the Local Government Investment Pool and 5% in a Certificate of Deposit.

Florida Prime and the Local Government Investment Pool (Pool B) are investment pools available for investing temporarily idle cash by Florida governments and are managed by the State Board of Administration (the “SBA”). On November 29, 2007, the SBA implemented a temporary freeze on the assets in the Pool due to an unprecedented amount of withdrawals coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the Pool into two (2) separate pools. Florida Prime, which was previously known as Pool A, consisted of all money market appropriate assets, which represented approximately 86% of pool assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which represented approximately 14% of pool assets. At that time, all current participants had their existing balances proportionately allocated into Florida Prime and Pool B. As of September 30, 2009, 4% of the District’s original balance in SBA remains inaccessible, which represents investments currently valued at \$1,960,689.

The District has full access to funds in Florida Prime. Participants in Pool B receive periodic distributions to the extent that Pool B receives proceeds from: 1) maturities of securities, coupon interest collections or collateral interest and principal pay downs, or 2) the sale of securities, collateral liquidation or other restructure or workout activities. At such time, the Investment Manager transfers cash or securities to Florida Prime for the benefit of Pool B shareholders. Such transfers are consistent with the pro rata allocation of Pool B shareholders of record as of the initial segregation of assets in the Pool. Effective March 2008, the SBA contracted with Federated Investors, Inc. to provide investment advisory services to the investment pool. The SBA has since put into place processes that allow for improved reporting, full transparency, conservative investment practices, improved portfolio guidelines and stricter internal controls. According to the SBA, Florida Prime meets the criteria to be considered as “2a-7 like”, as defined by GASB Statement No. 31. Accordingly, it has been reported at the same value as the pool shares allocated to the District. Florida Prime maintains a AAAM rating by Standard and Poor’s Ratings Services. Pool B is accounted for as a fluctuating net asset value (NAV) pool with a fair value factor of .54915069 at September 30. The pool is currently not rated by any nationally recognized statistical rating agency.

Florida Prime and Pool B are governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Funds. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(3) CASH AND INVESTMENTS (continued)*

**Interest Rate Risk**

Investments are made based upon prevailing market conditions at the time of the transaction. While the overall intent is to hold securities to maturity, the ongoing management of the portfolio allows for actions designed to meet cash needs of the District and attempts to maximize investment yield while minimizing losses. Investment in Mortgage Backed Securities allows for a monthly return of principal with interest in order to meet current expenditures. In addition, investments can be sold prior to maturity in order to improve yield, modify the target duration or improve the overall credit position of the portfolio.

The District uses a duration method to construct a portfolio of bonds to fund its future cash needs. For reporting purposes, it selects the effective duration to disclose the portfolio's exposure to changes in interest rates. Through its investment policy, the District manages its exposure to fair value losses arising from interest rate increases by limiting the effective duration of its investment portfolio, including cash balances, to less than three (3) years, excluding Pool B. Funds in Pool B are not readily available to participants, but are systematically transferred to Florida Prime as the underlying assets mature.

The District maintains an allocation of its investments in U.S. Agency Obligation securities which are callable by the issuer. These bonds are subject to the risk of being called prior to maturity.

The District invests in Mortgage Backed Securities, including Collateralized Mortgage Obligations (CMO's) in part to maximize yield and as a protection against a rise in interest rates. These securities are based on cash flows from payments on underlying mortgages; therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. An increase in interest rates may increase the average maturity of these investments. The District currently limits its exposure to all mortgage investments to 30% of the total portfolio balance at the time of purchase. As of September 30, 2009 the District had the following investments in its pooled portfolio:

Investment Type	Fair Value	Effective Duration (in yrs)
SunTrust CD	25,291,894	0.45
Florida Prime	29,767,730	0.09
Local Government Surplus Trust Fund - Pool B	1,960,689	8.00
U.S. Agency Obligations	261,812,000	1.65
Mortgage Backed Securities	175,779,575	1.48
Total Fair Value	<u>\$ 494,611,888</u>	
Portfolio Effective Duration		<b>1.46</b>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(3) CASH AND INVESTMENTS (continued)*

**Credit Risk**

For liquidity purposes, the District invests in Florida Prime, which is managed in accordance with State statutes. Florida Prime is rated AAAM by Standard & Poor's, and investment into the fund by local governments is consistent with SEC rule 2a-7. Pool B is currently not rated by any nationally recognized statistical rating agency.

All of the District's investments in agency securities for fiscal year 2009 were rated AAA by Standard and Poor's and Fitch ratings, and Aaa by Moody's Investor Services. In addition, all of the District's investments in Mortgage Backed Securities were rated AAA by at least two of the three listed rating services. This applies to the direct agency obligations as well as the investment into non-agency mortgages and CMO's.

**Credit Quality Distribution for Securities with Credit**

<u>Investment Type</u>	<u>Credit Rating</u>
Florida Prime	AAAM
Local Government Surplus Trust Fund - Pool B	Unrated
Fannie Mae – Agencies & Mortgages	AAA
Freddie Mac – Agencies & Mortgages	AAA
Federal Home Loan Bank – Agencies	AAA
Federal Farm Credit Bank – Agencies	AAA
Ginnie Mae - Mortgage Backed Security	AAA

**Custodial Credit Risk - Deposits**

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy.

The most significant cash deposit of the District at September 30, 2009 is the balance of proceeds from the issuance of Certificates of Participation (COPS) in fiscal year 2007. The "Cash Deposits Held by Trustee" balance consists of \$273,020,812 in COPS proceeds, which are held in trust by a third party financial institution on behalf of the District and \$22,416,103, representing debt service on the COPS, due October 1, 2009.

**Custodial Credit Risk - Investments**

The District's investment policy requires that all securities be held with a third-party custodian in a separate account which is registered as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(3) CASH AND INVESTMENTS (continued)*

**Concentration of Credit Risk**

The District's policy authorizes investment allocation limits on security types, issuers, and maturity limitations. However, the Executive Director has the option to modify investment percentages from time-to-time based on market conditions, risk and diversification investment strategies. These actions are delegated to the Chief Financial Officer and/or the District Treasurer to implement as needed.

**Percentage Allocation by Issuer as of September 30, 2009**

<u>Issuer</u>	<u>Percent of Total</u>
Florida Prime	6.02%
Local Government Surplus Trust Fund - Pool B	0.40%
Fannie Mae	37.42%
Freddie Mac	39.88%
Ginnie Mae	5.06%
Federal Farm Credit Bank	2.04%
Federal Home Loan Bank	4.07%
SunTrust CD	5.11%

Cash and investments as of September 30, 2009 are comprised of the following:

*Cash Deposits:*

Money Market Accounts	\$ 110,655,364
Demand Deposit Accounts	29,466,072
Petty Cash	<u>6,675</u>
Total Cash Deposits	<u>140,128,111</u>

*Cash Deposits Held by Trustee:* 295,436,915

*Investments Held by the District:*

U.S. Agency Obligations	261,812,000
Investments in Mortgage Backed Securities	175,779,575
Florida Prime	29,767,730
Local Government Surplus Trust Fund - Pool B	1,960,689
SunTrust CD	<u>25,291,894</u>
Total Investments	<u>494,611,888</u>
Total Cash and Investments	<u><u>\$ 930,176,914</u></u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*(4) ACCOUNTS RECEIVABLE*

Accounts receivable at September 30, 2009 consist of the following:

	General Fund	Okeechobee Basin SR Fund	Everglades Trust Fund	Comprehensive Everglades Rest. Plan CP Fund	Save Our Everglades	Other Funds	Total
Leases	\$ -	\$ -	\$ -	\$ -	\$ 170,979	\$ 56,610	\$ 227,589
Interest	590,974	542,723	431,079	181,667	-	329,510	2,075,953
Other	16,181	-	-	145,920	-	-	162,101
	<u>\$ 607,155</u>	<u>\$ 542,723</u>	<u>\$ 431,079</u>	<u>\$ 327,587</u>	<u>\$ 170,979</u>	<u>\$ 386,120</u>	<u>\$ 2,465,643</u>

*(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS*

Interfund receivables and payables as of September 30, 2009 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,226,167	\$ -
Okeechobee Basin SR Fund	1,819,596	-
Everglades Trust Fund	4,400,857	-
Acceler8 ECP Fund	-	4,400,857
Other Funds	-	3,045,763
	<u>\$ 7,446,620</u>	<u>\$ 7,446,620</u>

Interfund balances at year end represent either pending transfers from funds in which revenues are recorded to their corresponding capital expenditure fund or temporary loans to fund grant activity in special revenue funds with pending reimbursements.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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**(5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)**

Interfund transfers during the year are as follows:

<i>From:</i>	<i>To:</i>					Totals
	General Fund	Okeechobee Basin SR Fund	Comprehensive Everglades Fund	Acceler8 ECP Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ 75,835,860	\$ -	\$ -	\$ 75,835,860
Okeechobee Basin SR Fund	-	-	66,514,408	-	46,303,988	112,818,396
Everglades Trust Fund	-	-	-	-	19,531,070	19,531,070
Other Governmental Funds	113,924	132,000	-	231,928,900	14,138,175	246,312,999
	<u>\$ 113,924</u>	<u>\$ 132,000</u>	<u>\$142,350,268</u>	<u>\$ 231,928,900</u>	<u>\$ 79,973,233</u>	<u>\$454,498,325</u>

The majority of the transfers into the General Fund and the Okeechobee Basin Fund represent portions of State appropriations required to be used for general purposes. The transfers into the Comprehensive Everglades Fund represent the portion of ad valorem tax revenues to fund CERP projects. The transfer into the Acceler8 ECP Fund reflects unspent proceeds from the Series 2006 COPS, which were accounted for in the Acceler8 CERP Fund, and to reassign those proceeds from CERP to Everglades projects. The majority of the remaining transfers represent funding for operations of water control projects for the Okeechobee Basin, State-required transfers of Everglades Forever Act appropriations and other funds necessary to manage the related projects, and transfers to be used for wetlands mitigation activities.

**(6) OPERATING LEASE RENTAL REVENUES**

**Property on Operating Leases and Property Held for Lease**

The District purchases land for environmental restoration projects. Often there are agricultural activities occurring on parts of the land at the time of purchase. If the land is not needed for a project immediately, the District allows these activities to continue as it results in lower land maintenance costs. In addition, rent is charged for the use of the land for farming until such time it is needed for project purposes. The District investment in land on which operating leases exist is \$568.0 million as of September 30, 2009.

**Revenues under Operating Leases**

The following is a schedule by year of minimum future revenues on noncancelable operating leases, including contingent revenues which may be received under certain leases of land on the basis of use in excess of stipulated minimums. For fiscal year 2009, contingent revenues were \$-0-.

Year Ending September 30:

2010	\$ 2,266,816
2011	1,098,153
2012	698,505
2013	459,986
2014	412,196
2015 - 2019	<u>392,992</u>
Total minimum future revenues	<u>\$ 5,328,648</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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**(7) PROPERTY TAXES**

The District is permitted by Florida Statutes to levy taxes up to .800 mills per \$1,000 of assessed valuation. The rate levied for a majority of the District for fiscal year 2009 was .624 mills. Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for real and personal property located within the District. The assessed value at January 1, 2009, upon which the fiscal year 2009 levy was based, was approximately \$894.7 billion.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent April 1 of each year. Delinquent property tax certificates are sold to the public beginning June 1, at which time a lien attaches to the property. By fiscal year end, virtually all property taxes are collected either directly or through tax certificate sales. Property tax revenues are recorded by the District based on the amount of receipts reported by the county tax collectors. Property taxes receivable from the county tax collectors at September 30, 2009, is \$5,703,623 and is included in tax revenues.

**(8) INTERGOVERNMENTAL TRANSACTIONS**

Amounts due from other governments at September 30, 2009 and intergovernmental revenues for 2009 consist of the following:

	<u>Due From Other Governments</u>	<u>Intergovernmental Revenues</u>
U.S. Army Corps of Engineers	\$ 83,675	\$ 83,675
U.S. Department of Homeland Security	1,187,233	6,620,745
U.S. Department of the Interior	-	25,204
U.S. Department of Agriculture	296,186	2,132,111
Florida Department of Environmental Protection	10,807,706	74,402,973
Florida Fish and Wildlife Conservation Commission	747,825	3,854,046
Florida Department of Transportation	959,986	2,005,584
Florida Department of Revenue	-	4,469,763
Florida Department of Motor Vehicles	-	405,733
Florida Inland Navigation District	-	3,000,000
Lee County	69,295	129,434
Miami Dade County	30,000	30,000
St. John's River Water Management District	-	150,000
Various Counties:		
Ad Valorem Taxes	5,703,623	- *
Property Appraiser/Tax Collector Fee Credits	<u>3,282,556</u>	<u>- *</u>
Total	<u>\$ 23,168,085</u>	<u>\$ 97,309,268</u>

\* On the Statement of Revenues, Expenditures and Changes in Fund Balances, Ad Valorem Taxes are reported as Ad Valorem Property Taxes and the Property Appraiser/Tax Collector Fee Credits are netted against the original expenditure in the respective program.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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**(9) CAPITAL ASSETS ACTIVITY**

	Balance at October 1, 2008 (As Restated)	Additions	Retirements	Adjustments/ Reclassifications	Balance at September 30, 2009
<b><i>Capital Assets Not Being Depreciated:</i></b>					
Land	\$ 2,369,240,023	\$ 15,946,114	\$ (1,603,978)	\$ 29,506	\$ 2,383,611,665
Construction in Process	548,795,391	95,312,757	(19,817,580)	(54,759,147)	569,531,421
Canals and Levees	<u>550,364,249</u>	<u>101,507</u>	<u>-</u>	<u>4,277,295</u>	<u>554,743,051</u>
	<u>3,468,399,663</u>	<u>111,360,378</u>	<u>(21,421,558)</u>	<u>(50,452,346)</u>	<u>3,507,886,137</u>
<b><i>Capital Assets Being Depreciated:</i></b>					
Buildings	64,611,296	1,107,709	(106,003)	7,077,192	72,690,194
Equipment	140,821,376	10,360,357	(3,880,234)	2,443,188	149,744,687
Improvements	20,797,750	197,261	-	2,051,165	23,046,176
Water Control Structures	<u>552,146,231</u>	<u>1,241,440</u>	<u>(70,921)</u>	<u>35,052,822</u>	<u>588,369,572</u>
	<u>778,376,653</u>	<u>12,906,767</u>	<u>(4,057,158)</u>	<u>46,624,367</u>	<u>833,850,629</u>
<b><i>Less Accumulated Depreciation:</i></b>					
Buildings	(21,749,407)	(2,143,376)	3,975	93,889	(23,794,919)
Equipment	(69,827,436)	(12,517,569)	3,445,773	-	(78,899,232)
Improvements	(8,496,982)	(1,009,969)	-	-	(9,506,951)
Water Control Structures	<u>(100,870,615)</u>	<u>(13,918,649)</u>	<u>30,506</u>	<u>(93,889)</u>	<u>(114,852,647)</u>
	<u>(200,944,440)</u>	<u>(29,589,563)</u>	<u>3,480,254</u>	<u>-</u>	<u>(227,053,749)</u>
Capital Assets, Net	<u>\$ 4,045,831,876</u>	<u>\$ 94,677,582</u>	<u>\$ (21,998,462)</u>	<u>\$ (3,827,979)</u>	<u>\$ 4,114,683,017</u>

Depreciation expense was charged to the following programs during the fiscal year:

Land Stewardship	\$ 319,706
District Everglades	4,785,692
Operations and Maintenance	16,578,112
Water Supply	64,793
Kissimmee Watershed	104,632
Regulation	103,148
Lake Okeechobee	157,661
Coastal Watersheds	37,391
Mission Support	6,546,431
Comprehensive Everglades Restoration Plan	630,956
Modeling and Scientific Support	<u>261,041</u>
Total Depreciation Expense	<u>\$ 29,589,563</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**(10) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year ended September 30, 2009:

	Balance at October 1, 2008 (As Restated)	Additions	Retirements And Adjustments	Balance at September 30, 2009	Amounts Due Within One Year
Land Acquisition Bonds	\$ 46,325,000	\$ -	\$ (4,975,000)	\$ 41,350,000	5,190,000
Bond Premium / Discount	943,915	-	(270,974)	672,941	214,694
Bank Loans	7,783,160	-	(1,832,482)	5,950,678	1,832,482
COPs	538,445,000	-	(9,015,000)	529,430,000	9,370,000
COPs Premium / Discount	22,748,725	-	(1,702,326)	21,046,399	1,717,693
Land Purchase Payable	40,910,434	-	(40,910,434)	-	-
Capital Leases	393,491	-	(193,161)	200,330	200,330
Compensated Absences	22,547,000	12,979,000	(10,526,000)	25,000,000	8,295,250
Other Post Emp Benefits	5,248,289	2,692,117	-	7,940,406	-
Self Insurance Claims	5,257,525	2,048,868	(821,393)	6,485,000	988,997
Other Claims	49,000	-	(49,000)	-	-
	<u>\$ 690,651,539</u>	<u>\$ 17,719,985</u>	<u>\$ (70,295,770)</u>	<u>\$ 638,075,754</u>	<u>\$ 27,809,446</u>

Special Obligation Land Acquisition Bonds are issued by the District to provide funds for the acquisition of environmentally sensitive lands. Principal and interest on the Land Acquisition Bonds are secured by a lien on documentary stamp excise taxes collected statewide by the State of Florida and allocated to the State's five water management districts through the Water Management Lands Trust Fund. For the current fiscal year, principal and interest payments and total revenue recognized by the District were \$6,915,171 and \$8,289,538, respectively. Debt service payments have averaged 25% of the related revenue collected and allocated to the District through the Water Management Lands Trust Fund over the past ten years. The District accounts for debt service transactions in the Save Our Rivers SR Fund.

A summary of the status of the District's bonded debt as of September 30, 2009 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2002 Refunding	\$ 23,810,000	2010-2016	3.30-4.00%	\$ 15,560,000
2003 Refunding	<u>34,550,000</u>	2010-2016	3.50-5.25%	<u>25,790,000</u>
	<u>\$ 58,360,000</u>			<u>\$ 41,350,000</u>



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*(10) LONG-TERM LIABILITIES (continued)*

Fiscal year requirements to amortize bonded debt outstanding as of September 30, 2009 are as follows:

	Principal	Interest	Total
2010	\$ 5,190,000	\$ 1,722,396	\$ 6,912,396
2011	5,415,000	1,489,721	6,904,721
2012	5,655,000	1,265,749	6,920,749
2013	5,865,000	1,035,786	6,900,786
2014	6,120,000	768,598	6,888,598
2015-2016	<u>13,105,000</u>	<u>634,738</u>	<u>13,739,738</u>
	<u>\$ 41,350,000</u>	<u>\$ 6,916,988</u>	<u>\$ 48,266,988</u>

During previous fiscal years, the District entered into agreements with commercial banks to provide long-term financing for various capital projects.

A summary of the status of the District's outstanding bank loans at September 30, 2009 is shown below:

Issue	Original Amount	Fiscal Year Maturity	Interest Rates	Remaining Balance
2003	\$ 2,827,374	2010-2011	4.30%	\$ 807,821
2003	2,000,000	2010-2011	2.83%	571,428
2005	<u>8,000,000</u>	2010-2013	4.20%	<u>4,571,429</u>
	<u>\$ 12,827,374</u>			<u>\$ 5,950,678</u>

Fiscal year requirements to amortize the bank loans as of September 30, 2009 are as follows:

	Principal	Interest	Total
2010	\$ 1,832,482	\$ 206,172	\$ 2,038,654
2011	1,832,482	132,724	1,965,206
2012	1,142,857	72,000	1,214,857
2013	<u>1,142,857</u>	<u>24,000</u>	<u>1,166,857</u>
	<u>\$ 5,950,678</u>	<u>\$ 434,896</u>	<u>\$ 6,385,574</u>

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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*(10) LONG-TERM LIABILITIES (continued)*

In fiscal year 2007, the District issued Certificates of Participation (COPS), Series 2006, in order to provide funds for the construction of accelerated projects in furtherance of restoration of the Everglades. COPS are statutorily-authorized tax-exempt certificates evidencing undivided proportionate interests of the owners thereof in basic lease payments to be made by the Governing Board of the District, pursuant to a master lease purchase agreement by and between the District and the District Leasing Corporation (the "Corporation"), a not-for-profit (see Note (2)(a) on page III-12). The COPS are secured by and payable from the Trust Estate established for the Series 2006 Certificates (the "Trust Estate") pursuant to the Trust Agreement and any amounts payable under the Financial Guaranty Insurance Policy. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement. Lease payments are funded from ad valorem revenues. Total COPS issued amounted to \$546,120,000, having interest rates ranging from 3.5% to 5.0%. The District accounts for debt service transactions relative to COPS in the Everglades Trust Fund and the Comprehensive Everglades Restoration Plan Fund.

Fiscal year requirements to amortize the COPS as of September 30, 2009 are as follows:

	Principal	Interest	Total
2010	\$ 9,370,000	\$ 25,923,546	\$ 35,293,546
2011	9,705,000	25,539,177	35,244,177
2012	10,135,000	25,088,036	35,223,036
2013	10,610,000	24,626,168	35,236,168
2014	11,060,000	24,125,840	35,185,840
2015-2019	63,965,000	111,763,094	175,728,094
2020-2024	81,485,000	93,792,625	175,277,625
2025-2029	103,915,000	70,792,375	174,707,375
2030-2034	132,620,000	41,365,500	173,985,500
2035-2037	96,565,000	7,399,375	103,964,375
	<u>\$ 529,430,000</u>	<u>\$ 450,415,736</u>	<u>\$ 979,845,736</u>

The municipal bond insurers that have historically provided credit enhancement to debt issues have significant exposure to the sub-prime market since they enhanced some of the mortgage-backed securities and related products. Their involvement has led the credit rating agencies, Moody's Investor Services ("Moody's"), Standard and Poor's (S&P), and Fitch Ratings, to assign negative outlooks to most insurers, followed by downgrades for some. During the fiscal year, Moody's and S&P downgraded the District's bond insurer, AMBAC Assurance Corporation. Previously, all debt issued by the District carried an AAA "insured" crediting rating. This downgrade of the District's insurer has caused the rating on all District debt to be based on the District's underlying "non-insured" credit rating. At September 30, 2009, the District's COPS were rated AA3, AA+ and AA- by Moody's, S&P and Fitch Ratings, respectively and the District's Land Acquisition Bonds, Series 2002 and 2003 were rated A2, A+ and A- by Moody's, S&P and Fitch Ratings, respectively. This has not had a financial impact on any of the District's outstanding obligations.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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*(10) LONG-TERM LIABILITIES (continued)*

During fiscal year 2008, the Governing Board authorized the execution of a Stipulated Order of Taking and Final Judgment for the purchase of approximately 1,773 acres in St. Lucie County. The property, currently being used as a citrus farm, is planned to be made a part of the Indian River Lagoon project, which is included in the CERP. The District has taken title to the property but will allow the citrus farming activities to continue based on a leaseback agreement contained in the Order.

Under the terms of the Order, the District's total cost of the acquisition is approximately \$57.4 million, which includes the land acquisition price of \$50,498,700, together with a growth factor of \$1,997,504 and statutory attorney fees, expert fees and costs of \$4,892,791. During the fiscal year the District made the final payment in the amount of \$26,370,434.

During fiscal year 2008, the Governing Board authorized the purchase of approximately 256.94 acres, which will be utilized for the CERP project in Northern Palm Beach County. Under the terms of the purchase agreement, the total cost of acquisition of \$18,540,000 is payable in five annual installments, the balance of which is subject to simple interest of 4% per year. During the fiscal year the District paid the remaining outstanding principal balance of \$14,540,000.

The liability for compensated absences is generally liquidated by the General Fund and the Okeechobee Basin SR Fund.

*(11) DEFICIT FUND BALANCES*

At September 30, 2009, the following funds have deficit fund balances:

External Grants Fund	\$ 344,283
Save Our Everglades Fund	25,598
Comprehensive Everglades Restoration Plan – Federal Sources Capital Projects Fund	697,958
District Capital Projects Fund	1,226,167

The deficits in the Save Our Everglades Fund and the Comprehensive Everglades Restoration Plan Fund are expected to be funded by future reimbursements from the State of Florida and the federal government. The deficits in the External Grants Fund and the District Capital Projects Fund will be funded by operating transfers from the General fund.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**(12) OPERATING LEASES**

The District is committed under various operating leases for building, office space, vehicles, office equipment and data processing equipment. The majority of the operating leases contain options that the District may, at the end of the lease term, renew the lease. In most cases, the District expects that in the normal course of business, leases will be renewed or replaced with other leases. Lease expenditures for the year ended September 30, 2009 amounted to approximately \$3,856,000. Future minimum lease payments for these leases are as follows:

Year Ending September 30:

2010	\$ 3,555,685
2011	2,122,656
2012	128,941
2013	89,148
2014	<u>76,330</u>
Total minimum future lease payments	<u><u>\$ 5,972,760</u></u>

**(13) CAPITAL LEASES**

The District has a lease agreement that qualifies as a capital lease for accounting purposes and has been recorded at the present value of its future minimum lease payments as of the inception date of the lease. The lease agreement relates to the acquisition of equipment having an original cost of approximately \$939,600.

The following is a schedule of the District's future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of September 30, 2009:

Year Ending September 30:

2010	<u>\$ 205,873</u>
Total minimum future lease payments	205,873
Less: Amount representing interest	<u>(5,543)</u>
Present value of future minimum lease payments	<u><u>\$ 200,330</u></u>

**(14) DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The District contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida Division of Retirement. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Florida Legislature established the System under Chapter 121, Florida Statutes, and has sole authority to amend benefit provisions. The System issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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*(14) DEFINED BENEFIT PENSION PLAN (continued)*

**Funding Policy**

The System is non-contributory for employees and the District is required to contribute an actuarially determined rate. The rates are fixed by law and vary based on employee class. During the fiscal year the rates were 9.85%, 13.12% and 10.91% of annual covered payroll for regular class, senior management class, and DROP class employees, respectively. The contributions of the District are established and may be amended by the State Legislature. The District's contributions to the System for the past three fiscal years, equal to the required contributions for each year, are as follows:

Year Ending September 30:

2009	\$ 13,340,000
2008	12,237,000
2007	11,523,000

*(15) OTHER POST EMPLOYMENT BENEFITS (OPEB)*

**Plan Description**

District retirees and their eligible dependents may continue participation in the District health insurance program as required by Florida Statutes, Section 112.0801. Because the cost to the retirees cannot be greater than that to active employees for the same coverage, an implicit subsidy is being provided to retirees.

In January 2007, the District Governing Board approved a direct subsidy program to aid retirees in retaining quality healthcare coverage. The subsidy is a discount of the total premium contribution equal to 2% for each year of creditable service under the Florida Retirement System to a maximum of 30 years of creditable service or 60%.

The plan, a single employer defined benefit plan, is administered by the District. No formal trust is currently in place and benefits are provided through the annual budget appropriation. The provisions of the direct subsidy were established and may be amended by resolution of the District Governing Board. There is no separately issued financial report for the plan.

As of September 30, 2009, the plan covered 1,741 active participants and 159 retirees.

**Funding Policy**

The District contributes 2% for each year of creditable service up to a maximum of 30 years or 60% of the total premium. In addition, active employees contribute between \$2.50 and \$6.00 per pay period towards the future costs of retiree health insurance, depending on their medical coverage plan and tier. All other costs are paid by the retirees. The plan is financed on a pay-as-you-go basis.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
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*(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)*

**Annual OPEB Costs and Net OPEB Obligation**

For the fiscal year ended September 30, 2009, the District's annual OPEB cost of \$3,720,229 was equal to the annual required contribution (ARC) for the fiscal year, one year's interest on the net OPEB obligation, and an adjustment equal to the discounted present value of the balance of the net OPEB obligation at the beginning of the year. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2009, 2008 and 2007 are as follows:

	2009	2008	2007
Normal Cost (Service cost for one year)	\$ 1,687,539	\$ 1,693,965	\$ 1,839,258
Amortization of Unfunded Actuarial Accrued Liability	1,907,242	1,764,550	1,548,872
Interest on Normal Cost and Amortization	<u>81,001</u>	<u>-</u>	<u>76,645</u>
Annual Required Contribution (ARC)	3,675,782	3,458,515	3,464,775
Net OPEB Obligation (NOO) at beginning of year	5,248,289	2,667,895	-
Annual Required Contribution (ARC)	3,675,782	3,458,515	3,464,775
Interest on NOO	251,917	128,059	-
Adjustment to ARC	<u>(207,470)</u>	<u>(102,204)</u>	<u>-</u>
Annual OPEB Cost (Expense)	3,720,229	3,484,370	3,464,775
Employer Contributions Made	<u>(1,028,112)</u>	<u>(903,976)</u>	<u>(796,880)</u>
Increase (decrease) in NOO	<u>2,692,117</u>	<u>2,580,394</u>	<u>2,667,895</u>
Estimated NOO at end of year	<u><u>7,940,406</u></u>	<u><u>5,248,289</u></u>	<u><u>2,667,895</u></u>
Percentage of annual OPEB Cost Contributed	27.64%	25.94%	23.00%

**Funded Status and Funding Progress**

The funded status of the plan as of September 30, 2009 was as follows:

Actuarial Accrued Liability (AAL)	\$46,761,760
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	46,761,760
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	115,455,078
UAAL as a Percentage of Covered Payroll	40.50%

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(15) OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)*

Actuarial valuations of an OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continued revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the Rollforward Report, which is a supplement to the October 1, 2007 base actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.80% investment rate of return and an annual healthcare cost trend rate of 10% in 2009, trending down 0.5% per year to 5.0% in 2020 and thereafter. The actuarial value of assets was not determined as the District has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a 28-year period with a closed amortization method. The assumed rate of payroll growth is 4.0% per year.

The required schedule of funding progress as shown in the Notes to the Required Supplementary Information (see page IV-10) presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

*(16) INSURANCE ACTIVITIES*

The District is exposed to the various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. In 1976 the District established a self-insurance program for its workers' compensation exposure. The District is totally self-insured for workers' compensation claims. In 1986 the District established a self-insurance program for automobile and general liability claims. The District's financial exposure for automobile and general liability is limited to \$100,000 per person and \$200,000 per occurrence pursuant to Section 768.28, Florida Statutes. The District transfers its risk for personal and real property through the purchase of an insurance policy. The coverage is written on a 100% replacement/stated value basis, with varying retentions. The District purchases commercial insurance for hospital and medical benefits. Settled claims have not exceeded the amount of commercial coverage or the legally defined liability limits in any of the past three fiscal years.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(16) INSURANCE ACTIVITIES (continued)*

The self-insurance program is accounted for in the General Fund. Expenditures relating to insurance are charged to other funds based on a cost allocation study. These expenditures include actuarial estimates utilizing the Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense. The actuarial figures are utilized to determine the amounts needed to pay prior and current year claims and for losses incurred but not reported (IBNR) at year end.

The total estimated liability as of September 30, 2009 is \$6,485,000 and is presented on a discounted basis using an expected investment yield of 4.0%. Changes in the Fund's claims liability amount for the current and prior fiscal years are summarized below:

Fiscal Year	Beginning Liability	Current Claims and Changes in Estimates	Claim Payments	Ending Liability
2008	\$ 8,924,780	\$ 2,427,821	\$ (866,528)	\$ 10,486,073
2009	5,257,525 *	1,890,868	(663,393)	6,485,000

\* As restated.

*(17) COMMITMENTS – CONDEMNATION PROCEEDINGS*

The District is party to numerous lengthy condemnation proceedings (as plaintiff) and inverse condemnation proceedings (as defendant or co-defendant) regarding the taking of private lands throughout the District for public use. The court may rule there was no taking of land by the District resulting in no commitment to the District. Where a taking is ruled, the court determines the value of the land claimed by the owner and payment is made to the owner upon transfer of title to the District.

At September 30, 2009, the court had yet to rule on a number of proceedings for which the land value and title transfer date is undetermined. The District is unable to estimate the potential financial exposure relative to these rulings, if any.

When the court rules there is a taking, the District will budget and appropriate funds to pay for the purchase of the land.

*(18) MAJOR CONSTRUCTION COMMITMENTS*

The **Everglades Construction Project** (ECP), the first major step in the Everglades restoration pursuant to the Everglades Forever Act (EFA) was passed by the Florida Legislature in 1994. The ECP is one of the largest public works projects in the nation for environmental restoration. The District expended \$514.8 million on the Everglades Construction Project which has been completed. The total cost associated with implementing the 1994 ECP is shared among the District, state and federal governments, and the agricultural community. Major funding sources for the EFA include ad valorem property taxes (0.0894 mill tax levy for FY2009), agricultural privilege taxes, state funds, federal funds, Alligator Alley toll revenues, and other environmental mitigation funds.



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

The 1994 EFA directed the District to acquire land, design, permit, and construct a series of Stormwater Treatment Areas (STAs) to reduce phosphorus levels from stormwater runoff and other sources before it enters the Everglades Protection Area. The STAs, which consist of six large constructed wetlands with a combined area of over 52,000 acres, are the cornerstone of the ECP.

In 2003, the Florida Legislature amended the EFA to expand and extend the use of the District's one-tenth (0.0894 for FY2009) mill ad valorem property tax levy, agricultural privilege taxes and other funding sources for implementing the Everglades "Long-Term Plan." Also in 2003, the State of Florida's Environmental Regulation Commission adopted a water quality standard for phosphorus within the EPA that includes a numeric criterion of 10 ppb for total phosphorus.

In 2004, the 2003 Long-Term Plan was revised to include the addition of approximately 18,000 acres of STAs on Compartments B and C in the EAA. There were subsequent revisions occurring in 2005, 2006 and 2007. These revisions also addressed modifications to the STA enhancement projects, changes to the source controls component of the plan, changes to the plan's Process Development and Engineering component, and the addition of new projects to the Long-Term Plan. It is currently projected that the Long-Term Plan's initial 13-year phase, including these revisions, will cost approximately \$1.2 billion.

During fiscal year 2009, the District continued implementation of the Long-Term Plan, as required by the EFA. In fiscal year 2009, approximately \$81.6 million was expended for work associated with the District Everglades Program. Of this amount, \$57.4 million was expended for work related to implementing the Long-Term Plan including expenditures associated with operations and maintenance of the STAs and other EFA-related components such as monitoring, assessment, research and evaluation in the Everglades Protection Area. Construction expenditures associated with the expansion of Compartments B and C totaled \$24.2 million, which were funded from proceeds of COPS, issued in fiscal year 2007. Project Management Plans will be revised at various phases of each project, and project cost estimate changes or schedule alterations will follow a required formal review and approval process. The total inception-to-date spent on the Long-Term Plan which includes operations and maintenance, on-going construction costs for Compartments B and C and debt service is approximately \$399.0 million.

The STAs continue to improve water quality in effective treatment areas. During water year 2009, which represents the period between May 1, 2008 and April 30, 2009, the STAs removed over 179 metric tons of phosphorus that otherwise would have entered the Everglades. Through the end of water year 2009, the STAs have removed over 1,200 metric tons of phosphorus. In addition, best management practices by landowners in the Everglades Agricultural Area have removed over 2,000 tons of phosphorus that would have otherwise gone to the Everglades.

The **Kissimmee River Basin** restoration is another major project that includes converting the Kissimmee River and adjacent lands back to a more natural state. This involves restoring 43 miles of the historic river and approximately 40 square miles of river/floodplain ecosystem.

The state and federal governments will split the estimated \$620 million cost to restore the river. The U.S. Army Corps of Engineers is responsible for the construction and the design of the restoration. As of fiscal year 2009 year end, the District has acquired approximately 97% of the estimated 105,000 acres needed to complete the project with approximately 1,900 acres in process of complex settlement negotiations, condemnation and/or engineering solutions in lieu of acquisition.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(18) MAJOR CONSTRUCTION COMMITMENTS (continued)*

The **Comprehensive Everglades Restoration Plan** (CERP) is the plan for the restoration, protection, and preservation of the water resources of central and southern Florida, including the Everglades. Principal features of the plan are the creation of approximately 217,000 acres of new reservoirs and wetlands-based water treatment areas. These features vastly increase storage and water supply for the natural system, as well as for urban and agricultural needs. The CERP is intended to improve the quantity, quality, timing and distribution of water delivered to freshwater and coastal ecosystems in South Florida, including the Everglades, through a series of projects spanning three decades. The success of this monumental program is continuously monitored and evaluated through Restoration Coordination and Verification.

Through the Water Resources Development Act of 2000, the United States Congress has authorized an initial \$1.4 billion package of projects that will begin implementation of the Comprehensive Plan. The initial authorization includes 1) six pilot projects, 2) ten specific project features, and 3) a programmatic authority through which smaller projects can be more quickly implemented.

Most recently, through the Water Resources Development Act of 2007, the U.S. Congress authorized an additional three projects of the Comprehensive Plan.

CERP is an equal partnership between the State of Florida and the federal government. The State of Florida and the South Florida Water Management District have invested approximately \$2.4 billion toward this effort, including approximately \$300 million in construction. Through September 30, 2009, 60 percent, or approximately 232,767 acres, of the estimated lands needed to implement CERP have been acquired.

*(19) OTHER COMMITMENTS AND CONTINGENCIES*

The District participates in several federal and state assistance programs that are subject to financial and program compliance audits. Such audits could lead to reimbursements to the grantor agency for disallowed expenditures. However, management believes such disallowances, if any, will be immaterial.

*(20) RESTATEMENT – PRIOR PERIOD ADJUSTMENT*

Net assets invested in capital assets and unrestricted net assets as of September 30, 2008 have been restated to reflect corrections relating to capital asset transactions and a long term liability. Capital asset transactions (primarily land) for sales, purchases and contributions to other governments were not properly reported in the accounting records of the District. The impact of this is a reduction of capital assets and net assets invested in capital assets of \$46,282,015. In prior years the District also incorrectly reported a long term liability resulting in a reduction of the long term liability and an increase in unrestricted net assets of \$5,228,548 at September 30, 2008. The effect of these restatements on the changes in financial position for the fiscal year ended September 30, 2008 could not be determined.

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

*(20) RESTATEMENT – PRIOR PERIOD ADJUSTMENT (continued)*

The effect of these restatements on net assets in the financial statements as of September 30, 2008 are as follows:

	Governmental Activities			
			Net Assets	
	Capital Assets	Noncurrent Liabilities	Invested in Capital Assets	Unrestricted Net Assets
Balance as previously reported	\$4,092,113,891	\$ 695,880,087	\$3,725,960,133	\$ 374,667,737
Adjustment - Capital assets	(46,282,015)	-	(46,282,015)	-
Adjustment - Noncurrent liability	-	(5,228,548)	-	5,228,548
Balances as restated	<u>\$4,045,831,876</u>	<u>\$ 690,651,539</u>	<u>\$3,679,678,118</u>	<u>\$ 379,896,285</u>



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# **FINANCIAL SECTION**

REQUIRED SUPPLEMENTAL INFORMATION  
OTHER THAN MD&A  
(UNAUDITED)



## South Florida Water Management District

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual - (Unaudited)

For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$218,947,030	\$218,947,030	\$217,148,932	(\$1,798,098)
Intergovernmental	-	-	114,868	114,868
Investment Earnings	2,900,000	2,900,000	4,916,503	2,016,503
Licenses, Permits and Fees	3,665,550	3,665,550	3,292,895	(372,655)
Self-Insurance Premiums	5,086,339	5,086,339	2,548,463	(2,537,876)
Sale of District Property	300,000	300,000	22,990	(277,010)
Indirect Costs Recovered	4,700,000	4,700,000	6,885,448	2,185,448
Leases	75,000	75,000	97,733	22,733
Other	-	-	1,101,374	1,101,374
Total Revenues	<u>235,673,919</u>	<u>235,673,919</u>	<u>236,129,206</u>	<u>455,287</u>
<b>EXPENDITURES</b>				
Current				
Water Resources				
Operations and Maintenance	44,619	23,022	32,531	(9,509)
Water Supply	25,285,565	22,113,972	19,548,766	2,565,206
Kissimmee Watershed	-	43,310	42,871	439
Regulation	19,215,505	19,085,892	18,690,785	395,107
Coastal Watersheds	3,768,612	3,603,906	3,557,572	46,334
Mission Support	4,147	16,140	9,443	6,697
Modeling & Scientific Support	11,885,149	11,248,648	10,129,542	1,119,106
Total Water Resources	<u>60,203,597</u>	<u>56,134,890</u>	<u>52,011,510</u>	<u>4,123,380</u>
Operations and Maintenance				
Operations and Maintenance	11,334,526	11,458,845	11,228,099	230,746
Water Supply	832,202	749,963	732,133	17,830
Kissimmee Watershed	2,379	10,696	10,317	379
Regulation	301,265	181,086	179,727	1,359
Coastal Watersheds	245,935	237,038	211,771	25,267
Mission Support	33,135	35,140	46,978	(11,838)
Modeling & Scientific Support	488,488	494,412	1,288,732	(794,320)
Total Operations and Maintenance	<u>13,237,930</u>	<u>13,167,180</u>	<u>13,697,757</u>	<u>(530,577)</u>

## South Florida Water Management District

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual - (Unaudited)

For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Corporate Resources				
District Everglades	-	-	463	(463)
Operations and Maintenance	940,244	927,229	630,689	296,540
Water Supply	81,613	81,613	32,625	48,988
Regulation	367,168	384,013	382,621	1,392
Coastal Watersheds	177,173	29,093	23,171	5,922
Mission Support	90,019,831	90,534,172	82,496,160	8,038,012
Modeling & Scientific Support	251,703	266,398	221,791	44,607
Total Corporate Resources	91,837,732	92,222,518	83,787,520	8,434,998
Government and Public Affairs				
Water Supply	633,606	401,180	400,670	510
Regulation	237,361	110,037	107,428	2,609
Coastal Watersheds	92,855	18,967	18,832	135
Mission Support	6,278,393	6,692,341	6,605,641	86,700
Comprehensive Everglades Restoration Plan	-	969,859	818,847	151,012
Modeling & Scientific Support	129,765	111,823	84,857	26,966
Total Government and Public Affairs	7,371,980	8,304,207	8,036,275	267,932
Everglades Restoration				
Land Stewardship	182,649	76,796	75,779	1,017
Operations and Maintenance	141,696	321,351	316,214	5,137
Water Supply	1,008,132	673,374	668,159	5,215
Kissimmee Watershed	-	175,199	112,693	62,506
Regulation	192,767	8,259	10,627	(2,368)
Lake Okeechobee	-	348,508	281,790	66,718
Coastal Watersheds	6,828,265	1,276,408	708,161	568,247
Mission Support	-	552,603	(151,318)	703,921
Modeling & Scientific Support	4,914,496	5,130,699	5,056,109	74,590
Total Everglades Restoration	13,268,005	8,563,197	7,078,214	1,484,983
Debt Service				
Bank Loan Principal Payments	1,143,358	1,143,358	1,142,857	501
Bank Loan Interest	218,399	218,399	216,000	2,399
Total Debt Service	1,361,757	1,361,757	1,358,857	2,900
Contingency				
Managerial Reserve	10,424,275	17,951,527	-	17,951,527
Contingency Reserve	3,177,892	3,177,892	-	3,177,892
Total Contingency	13,602,167	21,129,419	-	21,129,419



## South Florida Water Management District

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual - (Unaudited)

For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Total Expenditures	<u>200,883,168</u>	<u>200,883,168</u>	<u>165,970,133</u>	<u>34,913,035</u>
Revenues in Excess of (Less than) Expenditures	<u>34,790,751</u>	<u>34,790,751</u>	<u>70,159,073</u>	<u>35,368,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	113,924	113,924	113,924	-
Transfers Out	<u>(75,835,860)</u>	<u>(75,835,860)</u>	<u>(75,835,860)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(75,721,936)</u>	<u>(75,721,936)</u>	<u>(75,721,936)</u>	<u>-</u>
Net Change in Fund Balance	(40,931,185)	(40,931,185)	(5,562,863)	35,368,322
Fund Balance at Beginning of Year	<u>94,278,904</u>	<u>94,278,904</u>	<u>94,278,904</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$53,347,719</u></u>	<u><u>\$53,347,719</u></u>	<u><u>\$88,716,041</u></u>	<u><u>\$35,368,322</u></u>

## Okeechobee Basin SR

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$218,973,772	\$218,973,772	\$217,029,985	(\$1,943,787)
Intergovernmental	-	-	7,607,440	7,607,440
Investment Earnings	3,200,000	3,200,000	3,841,235	641,235
Licenses, Permits and Fees	83,000	83,000	89,610	6,610
Sale of District Property	-	-	271,579	271,579
Other	-	-	60,047	60,047
Total Revenues	<u>222,256,772</u>	<u>222,256,772</u>	<u>228,899,896</u>	<u>6,643,124</u>
<b>EXPENDITURES</b>				
Current				
Water Resources				
Operations and Maintenance	35,225	-	490	(490)
Water Supply	783,771	459,225	350,244	108,981
Kissimmee Watershed	4,462,214	4,653,411	4,340,525	312,886
Regulation	-	100,000	86,032	13,968
Lake Okeechobee	9,511,605	9,412,068	9,077,445	334,623
Coastal Watersheds	<u>843,928</u>	<u>938,694</u>	<u>855,713</u>	<u>82,981</u>
Total Water Resources	<u>15,636,743</u>	<u>15,563,398</u>	<u>14,710,449</u>	<u>852,949</u>
Operations and Maintenance				
Land Stewardship	34,779	34,779	57,957	(23,178)
District Everglades	-	-	(209)	209
Operations and Maintenance	63,130,836	63,414,093	60,542,915	2,871,178
Kissimmee Watershed	688,523	608,786	566,334	42,452
Lake Okeechobee	254,147	196,521	209,763	(13,242)
Coastal Watersheds	200,386	200,386	279,600	(79,214)
Mission Support	<u>137,168</u>	<u>92,492</u>	<u>92,403</u>	<u>89</u>
Total Operations and Maintenance	<u>64,445,839</u>	<u>64,547,057</u>	<u>61,748,763</u>	<u>2,798,294</u>
Corporate Resources				
Operations and Maintenance	2,081,879	1,927,837	1,601,873	325,964
Kissimmee Watershed	42,343	4,958	3,419	1,539
Lake Okeechobee	384,020	326,636	316,040	10,596
Mission Support	<u>6,175,135</u>	<u>11,294,629</u>	<u>7,939,694</u>	<u>3,354,935</u>
Total Corporate Resources	<u>8,683,377</u>	<u>13,554,060</u>	<u>9,861,026</u>	<u>3,693,034</u>

## South Florida Water Management District

## Okeechobee Basin SR

Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - (Unaudited)  
 For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Government and Public Affairs				
Operations and Maintenance	2,312,553	1,805,855	1,805,855	-
Water Supply	353,180	322,888	91,446	231,442
Kissimmee Watershed	918,455	761,122	756,666	4,456
Regulation	159,099	31,282	1,011	30,271
Lake Okeechobee	422,797	221,953	219,541	2,412
Coastal Watersheds	2,939,557	2,176,276	2,158,061	18,215
Mission Support	3,824,031	4,812,334	4,727,819	84,515
Comprehensive Everglades Restoration Plan	-	869,326	379,862	489,464
Total Government and Public Affairs	10,929,672	11,001,036	10,140,261	860,775
Everglades Restoration				
Land Stewardship	331,360	690,778	670,222	20,556
District Everglades	-	-	1,501	(1,501)
Operations and Maintenance	5,037,310	5,276,936	5,254,399	22,537
Kissimmee Watershed	716,443	615,857	375,862	239,995
Lake Okeechobee	1,926,837	956,319	808,712	147,607
Coastal Watersheds	15,100	1,176,451	842,332	334,119
Mission Support	-	12,966	13,547	(581)
Total Everglades Restoration	8,027,050	8,729,307	7,966,575	762,732
Debt Service				
Bank Loan Principal Payments	690,125	690,125	689,625	500
Bank Loan Interest	65,039	65,039	63,620	1,419
Capital Lease Principal Payments	193,660	193,660	193,161	499
Capital Lease Interest	13,212	13,212	12,712	500
Total Debt Service	962,036	962,036	959,118	2,918
Contingency				
Managerial Reserve	17,958,166	12,285,989	-	12,285,989
Contingency Reserve	4,245,326	4,245,326	-	4,245,326
Total Contingency	22,203,492	16,531,315	-	16,531,315
Total Expenditures	130,888,209	130,888,209	105,386,192	25,502,017
Revenues in Excess of (Less than) Expenditures	91,368,563	91,368,563	123,513,704	32,145,141
OTHER FINANCING SOURCES (USES)				
Transfers In	132,000	132,000	132,000	-
Transfers Out	(112,818,396)	(112,818,396)	(112,818,396)	-
Total Other Financing Sources (Uses)	(112,686,396)	(112,686,396)	(112,686,396)	-

South Florida Water Management District  
Okeechobee Basin SR  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - (Unaudited)  
For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	(21,317,833)	(21,317,833)	10,827,308	32,145,141
Fund Balance at Beginning of Year	<u>73,886,171</u>	<u>73,886,171</u>	<u>73,886,171</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$52,568,338</u></u>	<u><u>\$52,568,338</u></u>	<u><u>\$84,713,479</u></u>	<u><u>\$32,145,141</u></u>

## State Appropriations

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual - (Unaudited)

For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$13,157,761	\$13,768,629	\$12,838,391	(\$930,238)
Total Revenues	13,157,761	13,768,629	12,838,391	(930,238)
EXPENDITURES				
Current				
Water Resources				
District Everglades	200,118	114,154	114,154	-
Water Supply	10,696,640	7,445,540	7,359,440	86,100
Coastal Watersheds	11,135,881	8,841,315	5,129,156	3,712,159
Total Water Resources	22,032,639	16,401,009	12,602,750	3,798,259
Corporate Resources				
Coastal Watersheds	-	-	(10,273)	10,273
Total Corporate Resources	-	-	(10,273)	10,273
Government and Public Affairs				
Operations and Maintenance	76,874	87,504	72,267	15,237
Water Supply	14,700	-	-	-
Kissimmee Watershed	22,364	-	-	-
Coastal Watersheds	19,095,698	14,412,747	5,429,190	8,983,557
Total Government and Public Affairs	19,209,636	14,500,251	5,501,457	8,998,794
Everglades Restoration				
Comprehensive Everglades Restoration Plan	1,225,607	257,628	244,836	12,792
Total Everglades Restoration	1,225,607	257,628	244,836	12,792
Contingency				
Managerial Reserve	565,003	13,460,041	-	13,460,041
Total Contingency	565,003	13,460,041	-	13,460,041
Total Expenditures	43,032,885	44,618,929	18,338,770	26,280,159
Revenues in Excess of (Less than) Expenditures	(29,875,124)	(30,850,300)	(5,500,379)	25,349,921

## South Florida Water Management District

## State Appropriations

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual - (Unaudited)

For the Year Ended September 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	(29,875,124)	(30,850,300)	(5,500,379)	25,349,921
Fund Balance at Beginning of Year	<u>30,291,359</u>	<u>30,291,359</u>	<u>30,291,359</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$416,235</u></u>	<u><u>(\$558,941)</u></u>	<u><u>\$24,790,980</u></u>	<u><u>\$25,349,921</u></u>

South Florida Water Management District  
Schedule of Employer Contributions  
Other Post-Employment Benefit Plans  
September 30, 2009

<u>Year Ended September 30</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2007	\$796,880	\$3,464,775	23.00%
2008	\$903,976	\$3,458,515	25.94%
2009	\$1,028,112	\$3,675,782	27.64%

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2009**

#### **BUDGETARY INFORMATION**

- Budgets are legally adopted for all funds and are adopted on a basis consistent with generally accepted accounting principles. The adopted budget represents a fiscal-year financial plan that details Governing Board approved revenues and expenditures. The District's level of budgetary control, defined as the lowest level at which management may not reallocate resources without approval of the Governing Board, is at the program level within a fund and resource area. There are 11 Programs: Coastal Watersheds, District Everglades, Kissimmee Watershed, Lake Okeechobee, Modeling & Scientific Support, Regulation, Water Supply, Operations & Maintenance, Comprehensive Everglades Restoration Plan, Land Stewardship and Mission Support. The District is organized by departments which are grouped into five main resource areas: Water Resources, Operations & Maintenance, Corporate Resources, Government and Public Affairs, and Everglades Restoration.
- The accompanying budgetary data represent the original and the final amended budgets as approved by the Governing Board. Five budget amendments were approved by the Governing Board during fiscal year 2009.
- For the year ended September 30, 2009, there were no adjustments to the total budgeted expenditures in the General Fund and Okeechobee Basin Special Revenue Fund as a result of the budget amendments. The State Appropriations Fund realized an increase in budgeted expenditures of \$1.6 million as a result of amendments during fiscal year 2009. None of the reported funds had expenditures for the fiscal year in excess of the final budgetary appropriation.

#### **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

- The employer contributions reported on the Schedule of Employer Contributions (see page IV-9) represents the current amount paid by the District for the current year cost of the benefits, which were entirely paid to or on behalf of retirees. Accordingly, no assets have been placed in trust to advance fund the employer's obligation.

The funding progress of the OPEB plan as of September 30, 2009, 2008 and 2007 was as follows:

	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
Actuarial Accrued Liability (AAL)	\$46,761,760	\$44,993,790	\$43,089,773
Actuarial Value of Plan Assets	—	—	—
Unfunded Actuarial Accrued Liability (UAAL)	46,761,760	44,993,790	43,089,773
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%	0%	0%
Covered Payroll (Active Plan Members)	115,455,078	115,455,078	109,262,864
UAAL as a Percentage of Covered Payroll	40.50%	38.97%	39.44%

Note that the District's initial actuarial valuation for an OPEB plan was as of October 1, 2006, to determine the funded status and the employer's annual required contribution for the fiscal year ended September 30, 2007. Accordingly, only three year's of funding progress is available at this time.



# **FINANCIAL SECTION**

OTHER SUPPLEMENTAL INFORMATION



# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

#### **Big Cypress Basin SR Fund**

Accounts for the normal operating expenditures of the Big Cypress Basin, an area covering all or part of two counties in Southwest Florida. Funding is provided by a .2265 mill tax levy and interest earnings.

#### **Save Our Rivers SR Fund**

Accounts for revenues provided by: 1) a portion of documentary stamp tax revenues appropriated and allocated in the District's name and deposited in the Florida Water Management Lands Trust Fund administered by the State of Florida, 2) regulatory fines, and 3) interest earnings used to fund expenditures incurred towards the management and restoration of environmentally sensitive water resource lands within the District. This fund also accounts for the principal and interest payments on special obligation land acquisition bonds.

#### **Aquatic Plant Control Fund**

Accounts for revenues provided by the Florida Department of Environmental Protection towards expenditures incurred for aquatic plant control throughout the District, including the Kissimmee River and Upper Chain of Lakes.

#### **Melaleuca Control Fund**

Accounts for revenues provided by the Florida Department of Environmental Protection which fund expenditures incurred in order to control the spread of melaleuca trees in environmentally sensitive areas.

#### **Wetland Mitigation Fund**

Accounts for revenues provided by private and other governmental contributions as part of the required permit to fund expenditures incurred to create new wetlands or improve alternative existing wetlands due to the destruction of designated wetlands. Revenues are also provided by operating transfers from the Lake Belt Mitigation Fund.

#### **Indian River Lagoon Restoration Fund**

Accounts for revenues provided by sales of Indian River Lagoon license plates, used in funding expenditures incurred for the purpose of enhancing the environmental and scenic value of surface waters in the Indian River Lagoon.

#### **External Grants Fund**

Accounts for revenues and expenditures related to grants that are received and used primarily for monitoring, restoration, and maintenance efforts. This separate fund facilitates the detailed tracking of expenditures and/or cost share contributions.

#### **Alternative Water Supply Fund**

Accounts for expenditures associated with the development of alternate water supply facilities including aquifer storage and recovery and wastewater reuse technologies. Revenue is provided by operating transfers from the General Fund.

# **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds (continued)**

#### **Stormwater Treatment Areas Operations and Maintenance Fund**

Accounts for expenditures incurred towards the operations and maintenance of the Stormwater Treatment Areas (STAs) as required by the Everglades Forever Act. Revenue is provided by operating transfers from the District's Everglades Trust Fund.

#### **Lake Belt Mitigation Fund**

Accounts for revenues received pursuant to Chapter 373.41492, Florida Statutes, which requires mitigation from impacts resulting from rock mining in the Lake Belt area of Miami-Dade County, and related expenditures incurred towards the acquisition, restoration and management of environmentally sensitive lands.

#### **Everglades License Plate Fund**

Accounts for proceeds derived from Everglades license plate sales, which are used to fund expenditures incurred towards the conservation and protection of the natural resources and abatement of water pollution in the Everglades.

#### **Lake Okeechobee Trust Fund**

Accounts for revenues provided by the State of Florida through the Department of Environmental Protection towards restoration projects associated with Lake Okeechobee.

## **Capital Projects Funds**

Capital Projects Funds are maintained to account for financial resources to be used for the purchase of real property and the acquisition or construction of major capital facilities.

#### **District CP Fund**

Accounts for capital expenditures on projects associated with District-wide functions. Revenue is provided through operating transfers from the General Fund.

#### **Okeechobee Basin CP Fund**

Accounts for capital expenditures incurred towards projects benefiting the Okeechobee Basin. Revenue is provided through operating transfers from the Okeechobee Basin SR Fund.

#### **Big Cypress Basin CP Fund**

Accounts for capital expenditures incurred towards projects benefiting the Big Cypress Basin. Revenue is provided through operating transfers from the Big Cypress Basin SR Fund.

#### **Save Our Rivers CP Fund**

Accounts for revenues received from annual allocations through the State's Florida Forever Trust Fund, and related expenditures incurred for the purchase of environmentally sensitive lands.

#### **Federal Emergency Management Agency Fund**

Accounts for revenues provided by the Department of Homeland Security to fund related capital project expenditures.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

### **Nonmajor Governmental Funds**

#### **Capital Projects Funds (continued)**

##### **Florida Bay Fund**

Accounts for capital expenditures associated with restoring a more natural quantity, distribution, and timing of water flows to Florida Bay.

##### **Federal Land Acquisitions Fund**

Accounts for grant revenues received from the federal government in support of expenditures relating to the purchase of environmentally sensitive lands.

##### **Comprehensive Everglades Restoration Plan (CERP) – Federal Funds**

Accounts for revenues received from and expenditures funded through the federal government for the Comprehensive Everglades Restoration Plan.

##### **Comprehensive Everglades Restoration Plan (CERP) – Other Creditable Funds Fund**

Accounts for revenues received from and expenditures funded through various sources for the Comprehensive Everglades Restoration Plan, excluding revenues and expenditures from federal sources, district ad-valorem property tax sources, and the state's Save Our Everglades Trust Fund.

##### **Acceler8 – Comprehensive Everglades Restoration Plan (CERP) Fund**

Accounts for revenues from Certificates of Participation issued to support the accelerated construction of projects in the Comprehensive Everglades Restoration Plan.

#### **Permanent Fund**

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the District's programs.

##### **Wetlands Mitigation Permanent Fund**

Accounts for the long-term maintenance portion of fees collected from private businesses and other governmental agencies as a condition for issuing wetlands mitigation permits. Interest earned on these fees is used to pay for the costs associated with long-term maintenance of lands purchased pursuant to the District's wetlands mitigation program.

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2009

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
<b>ASSETS</b>				
Cash and Investments	\$9,771,237	\$5,319,028	\$ -	\$216
Cash Held by Trustee	-	-	-	-
Accounts Receivable	54,299	56,610	-	-
Due from Other Governments	170,082	1,108,260	747,825	-
Inventory	38,967	23,710	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$10,034,585</u>	<u>\$6,507,608</u>	<u>\$747,825</u>	<u>\$216</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$522,060	\$611,970	\$22,463	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	559,140	-
Deferred Revenue	-	300,000	-	-
Total Liabilities	<u>522,060</u>	<u>911,970</u>	<u>581,603</u>	<u>-</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	1,332,692	66,285	206	-
Inventory	38,967	23,710	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	405,193	5,505,643	-	-
Economic Stabilization	939,000	-	-	-
Undesignated	<u>6,796,673</u>	<u>-</u>	<u>166,016</u>	<u>216</u>
Total Fund Balances (Deficits)	<u>9,512,525</u>	<u>5,595,638</u>	<u>166,222</u>	<u>216</u>
Total Liabilities and Fund Balances	<u>\$10,034,585</u>	<u>\$6,507,608</u>	<u>\$747,825</u>	<u>\$216</u>

## Special Revenue Funds (Continued)

	Wetland Mitigation	Indian River Lagoon Restoration	External Grants	Alternative Water Supply
<b>ASSETS</b>				
Cash and Investments	\$25,697,333	\$369,807	\$ -	\$200,414
Cash Held by Trustee	-	-	-	-
Accounts Receivable	86,751	1,339	-	819
Due from Other Governments	-	-	18,134	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$25,784,084</u>	<u>\$371,146</u>	<u>\$18,134</u>	<u>\$201,233</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$570,162	\$ -	\$80,816	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	281,601	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>570,162</u>	<u>-</u>	<u>362,417</u>	<u>-</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	207,676	-	15,812	-
Inventory	-	-	-	-
Acquisition of Land	4,109,822	-	-	-
Enhancement of Land	12,366,563	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	6,073,569	164,094	-	194,336
Economic Stabilization	-	-	-	-
Undesignated	<u>2,456,292</u>	<u>207,052</u>	<u>(360,095)</u>	<u>6,897</u>
Total Fund Balances (Deficits)	<u>25,213,922</u>	<u>371,146</u>	<u>(344,283)</u>	<u>201,233</u>
Total Liabilities and Fund Balances	<u>\$25,784,084</u>	<u>\$371,146</u>	<u>\$18,134</u>	<u>\$201,233</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2009

	Special Revenue Funds (Continued)			
	Stormwater Treatment Areas Operation & Maintenance	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund
<b>ASSETS</b>				
Cash and Investments	\$8,290,135	\$7,887,922	\$416,501	\$13,339,601
Cash Held by Trustee	-	-	-	-
Accounts Receivable	-	28,998	763	-
Due from Other Governments	-	-	-	-
Inventory	-	-	-	-
Other Assets	-	-	-	464,787
Total Assets	<u>\$8,290,135</u>	<u>\$7,916,920</u>	<u>\$417,264</u>	<u>\$13,804,388</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$310,381	\$784	\$159,524	\$342,658
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>310,381</u>	<u>784</u>	<u>159,524</u>	<u>342,658</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	208,432	-	46,784	4,229,478
Inventory	-	-	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	4,603,234	200,000	-	7,322,233
Economic Stabilization	-	-	-	-
Undesignated	<u>3,168,088</u>	<u>7,716,136</u>	<u>210,956</u>	<u>1,910,019</u>
Total Fund Balances (Deficits)	<u>7,979,754</u>	<u>7,916,136</u>	<u>257,740</u>	<u>13,461,730</u>
Total Liabilities and Fund Balances	<u>\$8,290,135</u>	<u>\$7,916,920</u>	<u>\$417,264</u>	<u>\$13,804,388</u>



	Special Revenue Funds (Concluded)	Capital Projects Funds		
	Total	District CP	Okeechobee Basin CP	Big Cypress Basin CP
<b>ASSETS</b>				
Cash and Investments	\$71,292,194	\$ -	\$46,810,024	\$16,824,550
Cash Held by Trustee	-	-	-	-
Accounts Receivable	229,579	-	9,080	35,826
Due from Other Governments	2,044,301	-	1,055,622	-
Inventory	62,677	-	570	-
Other Assets	464,787	-	-	-
Total Assets	<u>\$74,093,538</u>	<u>\$ -</u>	<u>\$47,875,296</u>	<u>\$16,860,376</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$2,620,818	\$ -	\$5,237,018	\$765,817
Due to Other Governments	-	-	-	-
Due to Other Funds	840,741	1,226,167	-	-
Deferred Revenue	300,000	-	-	-
Total Liabilities	<u>3,761,559</u>	<u>1,226,167</u>	<u>5,237,018</u>	<u>765,817</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	6,107,365	-	12,614,073	1,259,784
Inventory	62,677	-	570	-
Acquisition of Land	4,109,822	-	-	-
Enhancement of Land	12,366,563	-	-	-
Long Term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	24,468,302	-	22,450,983	3,450,550
Economic Stabilization	939,000	-	-	-
Undesignated	22,278,250	(1,226,167)	7,572,652	11,384,225
Total Fund Balances (Deficits)	<u>70,331,979</u>	<u>(1,226,167)</u>	<u>42,638,278</u>	<u>16,094,559</u>
Total Liabilities and Fund Balances	<u>\$74,093,538</u>	<u>\$ -</u>	<u>\$47,875,296</u>	<u>\$16,860,376</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2009

Capital Projects Funds (Continued)				
	Save Our Rivers CP	Federal Emergency Management Agency	Florida Bay	Federal Land Acquisition
<b>ASSETS</b>				
Cash and Investments	\$15,890,913	\$127,717	\$4,054,057	\$2,976,453
Cash Held by Trustee	-	-	-	-
Accounts Receivable	60,239	-	11,940	7,335
Due from Other Governments	3,245	124,983	83,675	-
Inventory	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$15,954,397</u>	<u>\$252,700</u>	<u>\$4,149,672</u>	<u>\$2,983,788</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$124,982	\$23,062	\$ -
Due to Other Governments	-	-	-	22,495
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>124,982</u>	<u>23,062</u>	<u>22,495</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	3,686,685	309,852	184,910	-
Inventory	-	-	-	-
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	-	-	219,079	-
Economic Stabilization	-	-	-	-
Undesignated	<u>12,267,712</u>	<u>(182,134)</u>	<u>3,722,621</u>	<u>2,961,293</u>
Total Fund Balances (Deficits)	<u>15,954,397</u>	<u>127,718</u>	<u>4,126,610</u>	<u>2,961,293</u>
Total Liabilities and Fund Balances	<u>\$15,954,397</u>	<u>\$252,700</u>	<u>\$4,149,672</u>	<u>\$2,983,788</u>

Capital Projects Funds (Concluded)				
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	Acceler8 Comprehensive Everglades Restoration Plan	Total
<b>ASSETS</b>				
Cash and Investments	\$ -	\$2,225,955	\$72,355	\$88,982,024
Cash Held by Trustee	-	-	29,416,431	29,416,431
Accounts Receivable	-	-	-	124,420
Due from Other Governments	280,897	-	-	1,548,422
Inventory	-	-	-	570
Other Assets	-	-	-	-
Total Assets	<u>\$280,897</u>	<u>\$2,225,955</u>	<u>\$29,488,786</u>	<u>\$120,071,867</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$302,235	\$6,453,114
Due to Other Governments	-	-	-	22,495
Due to Other Funds	978,855	-	-	2,205,022
Deferred Revenue	-	-	-	-
Total Liabilities	<u>978,855</u>	<u>-</u>	<u>302,235</u>	<u>8,680,631</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	272	-	133,855	18,189,431
Inventory	-	-	-	570
Acquisition of Land	-	-	-	-
Enhancement of Land	-	-	-	-
Long-term Management of Land	-	-	-	-
Unreserved				
Designated for:				
Subsequent Years Expenditures	-	-	2,350,000	28,470,612
Economic Stabilization	-	-	-	-
Undesignated	<u>(698,230)</u>	<u>2,225,955</u>	<u>26,702,696</u>	<u>64,730,623</u>
Total Fund Balances (Deficits)	<u>(697,958)</u>	<u>2,225,955</u>	<u>29,186,551</u>	<u>111,391,236</u>
Total Liabilities and Fund Balances	<u>\$280,897</u>	<u>\$2,225,955</u>	<u>\$29,488,786</u>	<u>\$120,071,867</u>

Continued

South Florida Water Management District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2009

	<u>Permanent Fund</u>	Total Nonmajor Governmental Funds
	<u>Wetlands Mitigation</u>	<u>Funds</u>
ASSETS		
Cash and Investments	\$10,192,192	\$170,466,410
Cash Held by Trustee	-	29,416,431
Accounts Receivable	32,121	386,120
Due from Other Governments	-	3,592,723
Inventory	-	63,247
Other Assets	-	464,787
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$10,224,313</u>	<u>\$204,389,718</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$9,073,932
Due to Other Governments	-	22,495
Due to Other Funds	-	3,045,763
Deferred Revenue	-	300,000
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>-</u>	<u>12,442,190</u>
FUND BALANCES		
Reserved for:		
Encumbrances	-	24,296,796
Inventory	-	63,247
Acquisition of Land	-	4,109,822
Enhancement of Land	-	12,366,563
Long-term Management of Land	10,262,096	10,262,096
Unreserved		
Designated for:		
Subsequent Years Expenditures	-	52,938,914
Economic Stabilization	-	939,000
Undesignated	(37,783)	86,971,090
	<u>                    </u>	<u>                    </u>
Total Fund Balances (Deficits)	<u>10,224,313</u>	<u>191,947,528</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$10,224,313</u>	<u>\$204,389,718</u>



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South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2009

	Special Revenue Funds			
	Big Cypress Basin SR	Save Our Rivers SR	Aquatic Plant Control	Melaleuca Control
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$17,205,604	\$ -	\$ -	\$ -
Intergovernmental	-	8,133,639	3,340,169	2,742,589
Investment Earnings	481,172	1,275	-	-
Licenses, Permits and Fees	11,450	-	-	-
Sale of District Property	15	-	-	-
Leases	-	873,271	-	-
Other	4,950	7,872	3,368	5,921
Total Revenues	17,703,191	9,016,057	3,343,537	2,748,510
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	6,112,545	-	-
District Everglades	-	-	-	-
Operations and Maintenance	4,351,283	2,360,658	2,560,065	2,748,510
Water Supply	1,802,479	-	-	-
Kissimmee Watershed	-	292,610	-	-
Regulation	21,298	-	-	-
Lake Okeechobee	-	513,912	-	-
Coastal Watersheds	5,385,969	-	-	-
Mission Support	972,022	-	-	-
Comprehensive Everglades Restoration Plan	141,922	502,343	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	4,975,000	-	-
Bond Interest	-	1,940,171	-	-
Total Expenditures	12,674,973	16,697,239	2,560,065	2,748,510
Revenues in Excess of (Less than) Expenditures	5,028,218	(7,681,182)	783,472	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(6,972,500)	-	(220,000)	-
Total Other Financing Sources (Uses)	(6,972,500)	-	(220,000)	-
Net Change in Fund Balances	(1,944,282)	(7,681,182)	563,472	-
Fund Balances (Deficits) at Beginning of Year	11,456,807	13,276,820	(397,250)	216
Fund Balances (Deficits) at End of Year	\$9,512,525	\$5,595,638	\$166,222	\$216

## Special Revenue Funds (Continued)

	Wetlands Mitigation	Indian River Lagoon Restoration	External Grants	Alternative Water Supply
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	122,968	1,289,172	-
Investment Earnings	699,813	11,932	-	6,897
Licenses, Permits and Fees	2,574,817	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	1,219	-	100,000	-
Total Revenues	3,275,849	134,900	1,389,172	6,897
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	3,590,543	-	-	-
District Everglades	-	-	-	-
Operations and Maintenance	-	-	1,245,719	-
Water Supply	-	-	184,172	-
Kissimmee Watershed	170,820	-	99,078	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	-
Coastal Watersheds	-	109,514	248,929	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	120,085	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	3,881,448	109,514	1,777,898	-
Revenues in Excess of (Less than) Expenditures	(605,599)	25,386	(388,726)	6,897
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,168,749	-	-	-
Transfers Out	(1,013,319)	-	-	(25,924)
Total Other Financing Sources (Uses)	4,155,430	-	-	(25,924)
Net Change in Fund Balances	3,549,831	25,386	(388,726)	(19,027)
Fund Balances (Deficits) at Beginning of Year	21,664,091	345,760	44,443	220,260
Fund Balances (Deficits) at End of Year	\$25,213,922	\$371,146	(\$344,283)	\$201,233

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2009

	Special Revenue Funds (Continued)			
	Stormwater Treatment Areas Operations & Maintenance	Lake Belt Mitigation	Everglades License Plate	Lake Okeechobee Trust Fund
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,234	4,469,763	282,765	4,391,794
Investment Earnings	-	261,274	16,405	-
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	-
Other	4,211	-	-	-
Total Revenues	14,445	4,731,037	299,170	4,391,794
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	104,821	-	-
District Everglades	14,983,340	-	722,145	-
Operations and Maintenance	51	-	-	-
Water Supply	-	-	-	-
Kissimmee Watershed	-	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	3,968,779
Coastal Watersheds	-	-	-	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	14,983,391	104,821	722,145	3,968,779
Revenues in Excess of (Less than) Expenditures	(14,968,946)	4,626,216	(422,975)	423,015
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	18,531,070	-	-	-
Transfers Out	-	(5,739,821)	-	-
Total Other Financing Sources (Uses)	18,531,070	(5,739,821)	-	-
Net Change in Fund Balances	3,562,124	(1,113,605)	(422,975)	423,015
Fund Balances (Deficits) at Beginning of Year	4,417,630	9,029,741	680,715	13,038,715
Fund Balances (Deficits) at End of Year	\$7,979,754	\$7,916,136	\$257,740	\$13,461,730



	Special Revenue Funds (Concluded)	Capital Projects Funds		
	Total	District CP	Okeechobee Basin CP	Big Cypress Basin CP
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$17,205,604	\$ -	\$ -	\$ -
Intergovernmental	24,783,093	-	2,752,428	-
Investment Earnings	1,478,768	63,297	455,774	361,438
Licenses, Permits and Fees	2,586,267	-	-	-
Sale of District Property	15	-	-	-
Leases	873,271	-	-	-
Other	127,541	-	830,892	-
Total Revenues	47,054,559	63,297	4,039,094	361,438
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	9,807,909	-	-	-
District Everglades	15,705,485	-	-	-
Operations and Maintenance	13,266,286	-	14,027,148	601,588
Water Supply	1,986,651	-	-	-
Kissimmee Watershed	562,508	-	207,153	-
Regulation	21,298	-	-	-
Lake Okeechobee	4,482,691	-	702,184	-
Coastal Watersheds	5,744,412	-	460,130	-
Mission Support	972,022	(62,553)	-	-
Comprehensive Everglades Restoration Plan	764,350	-	73,811	1,298,151
Capital Outlay	-	-	17,013,767	2,477,394
Debt Service				
Bond Principal Retirement	4,975,000	-	-	-
Bond Interest	1,940,171	-	-	-
Total Expenditures	60,228,783	(62,553)	32,484,193	4,377,133
Revenues in Excess of (Less than) Expenditures	(13,174,224)	125,850	(28,445,099)	(4,015,695)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	23,699,819	-	46,303,988	6,972,500
Transfers Out	(13,971,564)	-	-	-
Total Other Financing Sources (Uses)	9,728,255	-	46,303,988	6,972,500
Net Change in Fund Balances	(3,445,969)	125,850	17,858,889	2,956,805
Fund Balances (Deficits) at Beginning of Year	73,777,948	(1,352,017)	24,779,389	13,137,754
Fund Balances (Deficits) at End of Year	\$70,331,979	(\$1,226,167)	\$42,638,278	\$16,094,559

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2009

Capital Projects Funds (Continued)				
	Save Our Rivers CP	Federal Emergency Management Agency	Florida Bay	Federal Land Acquisition
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,289,538	589,853	83,675	-
Investment Earnings	518,580	-	111,586	54,518
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	1,316,771
Other	24,900	-	-	-
Total Revenues	<u>8,833,018</u>	<u>589,853</u>	<u>195,261</u>	<u>1,371,289</u>
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
District Everglades	-	-	-	-
Operations and Maintenance	-	(150)	-	-
Water Supply	-	-	-	-
Kissimmee Watershed	93,520	-	-	-
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	-
Coastal Watersheds	207,571	617,473	852,156	-
Mission Support	-	-	-	-
Comprehensive Everglades Restoration Plan	581,600	-	174,629	-
Capital Outlay	7,618,597	-	69,986	-
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>8,501,288</u>	<u>617,323</u>	<u>1,096,771</u>	<u>-</u>
Revenues in Excess of (Less than) Expenditures	<u>331,730</u>	<u>(27,470)</u>	<u>(901,510)</u>	<u>1,371,289</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	1,000,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Net Change in Fund Balances	331,730	(27,470)	98,490	1,371,289
Fund Balances (Deficits) at Beginning of Year	15,622,667	155,188	4,028,120	1,590,004
Fund Balances (Deficits) at End of Year	<u>\$15,954,397</u>	<u>\$127,718</u>	<u>\$4,126,610</u>	<u>\$2,961,293</u>

Capital Projects Funds (Concluded)				
	Comprehensive Everglades Restoration Plan Federal Funds	Comprehensive Everglades Restoration Plan Other Creditable	Acceler8 Comprehensive Everglades Restoration Plan	Total
<b>REVENUES</b>				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	(292,909)	-	-	11,422,585
Investment Earnings	-	-	1,413,929	2,979,122
Licenses, Permits and Fees	-	-	-	-
Sale of District Property	-	-	-	-
Leases	-	-	-	1,316,771
Other	100	-	8,405,335	9,261,227
Total Revenues	(292,809)	-	9,819,264	24,979,705
<b>EXPENDITURES</b>				
Current Operating				
Land Stewardship	-	-	-	-
District Everglades	-	-	-	-
Operations and Maintenance	-	-	-	14,628,586
Water Supply	-	-	-	-
Kissimmee Watershed	-	-	-	300,673
Regulation	-	-	-	-
Lake Okeechobee	-	-	-	702,184
Coastal Watersheds	-	-	-	2,137,330
Mission Support	-	-	-	(62,553)
Comprehensive Everglades Restoration Plan	18,396	-	(7,605)	2,138,982
Capital Outlay	-	-	15,116,772	42,296,516
Debt Service				
Bond Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	18,396	-	15,109,167	62,141,718
Revenues in Excess of (Less than) Expenditures	(311,205)	-	(5,289,903)	(37,162,013)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	54,276,488
Transfers Out	-	-	(231,928,900)	(231,928,900)
Total Other Financing Sources (Uses)	-	-	(231,928,900)	(177,652,412)
Net Change in Fund Balances	(311,205)	-	(237,218,803)	(214,814,425)
Fund Balances (Deficits) at Beginning of Year	(386,753)	2,225,955	266,405,354	326,205,661
Fund Balances (Deficits) at End of Year	(\$697,958)	\$2,225,955	\$29,186,551	\$111,391,236

Continued

South Florida Water Management District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2009

	Permanent Fund	
	Wetlands Mitigation	Total NonMajor Governmental Funds
REVENUES		
Ad Valorem Property Taxes	\$ -	\$17,205,604
Intergovernmental	-	36,205,678
Investment Earnings	263,700	4,721,590
Licenses, Permits and Fees	569,560	3,155,827
Sale of District Property	7,050	7,065
Leases	-	2,190,042
Other	-	9,388,768
Total Revenues	840,310	72,874,574
EXPENDITURES		
Current Operating		
Land Stewardship	-	9,807,909
District Everglades	-	15,705,485
Operations and Maintenance	-	27,894,872
Water Supply	-	1,986,651
Kissimmee Watershed	-	863,181
Regulation	-	21,298
Lake Okeechobee	-	5,184,875
Coastal Watersheds	-	7,881,742
Mission Support	-	909,469
Comprehensive Everglades Restoration Plan	-	2,903,332
Capital Outlay	-	42,296,516
Debt Service		
Bond Principal Retirement	-	4,975,000
Bond Interest	-	1,940,171
Total Expenditures	-	122,370,501
Revenues in Excess of (Less than) Expenditures	840,310	(49,495,927)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,996,926	79,973,233
Transfers Out	(412,535)	(246,312,999)
Total Other Financing Sources (Uses)	1,584,391	(166,339,766)
Net Change in Fund Balances	2,424,701	(215,835,693)
Fund Balances (Deficits) at Beginning of Year	7,799,612	407,783,221
Fund Balances (Deficits) at End of Year	\$10,224,313	\$191,947,528



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## South Florida Water Management District

## Special Revenue Fund

## Big Cypress Basin SR

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Property Taxes	\$17,318,376	\$17,205,604	(\$112,772)
Investment Earnings	545,000	481,172	(63,828)
Licenses, Permits and Fees	19,000	11,450	(7,550)
Sale of District Property	-	15	15
Other	-	4,950	4,950
Total Revenues	17,882,376	17,703,191	(179,185)
<b>EXPENDITURES</b>			
Current			
Water Resources			
Coastal Watersheds	10,000	-	10,000
Comprehensive Everglades Restoration Plan	30,690	20,578	10,112
Total Water Resources	40,690	20,578	20,112
Operations and Maintenance			
Operations and Maintenance	2,877,697	2,614,295	263,402
Comprehensive Everglades Restoration Plan	835	621	214
Total Operations and Maintenance	2,878,532	2,614,916	263,616
Corporate Resources			
Operations and Maintenance	68,910	62,385	6,525
Water Supply	-	(6)	6
Regulation	11,000	10,037	963
Mission Support	480,690	294,327	186,363
Total Corporate Resources	560,600	366,743	193,857
Government and Public Affairs			
Operations and Maintenance	1,647,043	1,525,543	121,500
Water Supply	1,820,751	1,802,486	18,265
Regulation	14,027	11,261	2,766
Coastal Watersheds	6,669,069	5,385,968	1,283,101
Mission Support	737,172	677,695	59,477
Comprehensive Everglades Restoration Plan	81,484	39,331	42,153
Total Government and Public Affairs	10,969,546	9,442,284	1,527,262
Everglades Restoration			
Operations and Maintenance	221,102	149,061	72,041
Coastal Watersheds	23,177	-	23,177
Comprehensive Everglades Restoration Plan	240,704	81,391	159,313
Total Everglades Restoration	484,983	230,452	254,531

## South Florida Water Management District

## Special Revenue Fund

## Big Cypress Basin SR

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Contingency			
Managerial Reserve	838,675	-	838,675
Contingency Reserve	248,861	-	248,861
Total Contingency	1,087,536	-	1,087,536
Total Expenditures	16,021,887	12,674,973	3,346,914
Revenues in Excess of (Less than) Expenditures	1,860,489	5,028,218	3,167,729
OTHER FINANCING SOURCES (USES)			
Transfers Out	(6,972,500)	(6,972,500)	-
Total Other Financing Sources (Uses)	(6,972,500)	(6,972,500)	-
Net Change in Fund Balance	(5,112,011)	(1,944,282)	3,167,729
Fund Balance at Beginning of Year	11,456,807	11,456,807	-
Fund Balance at End of Year	\$6,344,796	\$9,512,525	\$3,167,729

## South Florida Water Management District

## Special Revenue Fund

## Save Our Rivers SR

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$16,667,000	\$8,133,639	(\$8,533,361)
Investment Earnings	-	1,275	1,275
Leases	2,000,000	873,271	(1,126,729)
Other	-	7,872	7,872
Total Revenues	18,667,000	9,016,057	(9,650,943)
EXPENDITURES			
Current			
Water Resources			
Kissimmee Watershed	292,610	292,610	-
Lake Okeechobee	315,840	285,464	30,376
Total Water Resources	608,450	578,074	30,376
Operations and Maintenance			
Land Stewardship	5,732,358	5,541,847	190,511
Operations and Maintenance	2,402,502	2,360,658	41,844
Lake Okeechobee	221,020	210,448	10,572
Comprehensive Everglades Restoration Plan	310,741	252,247	58,494
Total Operations and Maintenance	8,666,621	8,365,200	301,421
Corporate Resources			
Land Stewardship	91,621	91,621	-
Total Corporate Resources	91,621	91,621	-
Government and Public Affairs			
Land Stewardship	1,458	1,458	-
Lake Okeechobee	15,000	15,000	-
Total Government and Public Affairs	16,458	16,458	-
Everglades Restoration			
Land Stewardship	774,922	477,619	297,303
Lake Okeechobee	3,000	3,000	-
Comprehensive Everglades Restoration Plan	250,200	250,096	104
Total Everglades Restoration	1,028,122	730,715	297,407
Debt Service			
Bond Principal Retirement	4,975,000	4,975,000	-
Bond Interest	1,940,172	1,940,171	1
Total Debt Service	6,915,172	6,915,171	1
Contingency			
Managerial Reserve	2,118,949	-	2,118,949
Total Contingency	2,118,949	-	2,118,949



## South Florida Water Management District

## Special Revenue Fund

## Save Our Rivers SR

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Total Expenditures	19,445,393	16,697,239	2,748,154
Revenues in Excess of (Less than) Expenditures	(778,393)	(7,681,182)	(6,902,789)
Net Change in Fund Balance	(778,393)	(7,681,182)	(6,902,789)
Fund Balance at Beginning of Year	13,276,820	13,276,820	-
Fund Balance at End of Year	\$12,498,427	\$5,595,638	(\$6,902,789)

## South Florida Water Management District

## Special Revenue Fund

## Aquatic Plant Control

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$4,237,996	\$3,340,169	(\$897,827)
Other	-	3,368	3,368
Total Revenues	4,237,996	3,343,537	(894,459)
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	3,091,646	2,560,065	531,581
Total Operations and Maintenance	3,091,646	2,560,065	531,581
Contingency			
Managerial Reserve	1,381,594	-	1,381,594
Total Contingency	1,381,594	-	1,381,594
Total Expenditures	4,473,240	2,560,065	1,913,175
Revenues in Excess of (Less than) Expenditures	(235,244)	783,472	1,018,716
OTHER FINANCING SOURCES (USES)			
Transfers Out	(220,000)	(220,000)	-
Total Other Financing Sources (Uses)	(220,000)	(220,000)	-
Net Change in Fund Balance	(455,244)	563,472	1,018,716
Fund Balance (Deficit) at Beginning of Year	(397,250)	(397,250)	-
Fund Balance (Deficit) at End of Year	(\$852,494)	\$166,222	\$1,018,716

## South Florida Water Management District

## Special Revenue Fund

## Melaleuca Control

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$2,750,000	\$2,742,589	(\$7,411)
Other	-	5,921	5,921
Total Revenues	2,750,000	2,748,510	(1,490)
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	2,750,000	2,748,510	1,490
Total Operations and Maintenance	2,750,000	2,748,510	1,490
Total Expenditures	2,750,000	2,748,510	1,490
Revenues in Excess of (Less than) Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance at Beginning of Year	216	216	-
Fund Balance at End of Year	\$216	\$216	\$ -

## South Florida Water Management District

## Special Revenue Fund

## Wetlands Mitigation

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$699,813	\$699,813
Licenses, Permits and Fees	433,100	2,574,817	2,141,717
Other	-	1,219	1,219
Total Revenues	433,100	3,275,849	2,842,749
EXPENDITURES			
Current			
Operations and Maintenance			
Land Stewardship	3,497,132	3,499,803	(2,671)
Total Operations and Maintenance	3,497,132	3,499,803	(2,671)
Everglades Restoration			
Land Stewardship	156,034	90,740	65,294
Kissimmee Watershed	333,100	170,820	162,280
Comprehensive Everglades Restoration Plan	143,544	120,085	23,459
Total Everglades Restoration	632,678	381,645	251,033
Contingency			
Managerial Reserve	8,626,299	-	8,626,299
Total Contingency	8,626,299	-	8,626,299
Total Expenditures	12,756,109	3,881,448	8,874,661
Revenues in Excess of (Less than) Expenditures	(12,323,009)	(605,599)	11,717,410
OTHER FINANCING SOURCES (USES)			
Transfers In	5,168,749	5,168,749	-
Transfers Out	(1,300,000)	(1,013,319)	286,681
Total Other Financing Sources (Uses)	3,868,749	4,155,430	286,681
Net Change in Fund Balance	(8,454,260)	3,549,831	12,004,091
Fund Balance at Beginning of Year	21,664,091	21,664,091	-
Fund Balance at End of Year	\$13,209,831	\$25,213,922	\$12,004,091

## South Florida Water Management District

## Special Revenue Fund

## Indian River Lagoon Restoration

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$171,000	\$122,968	(\$48,032)
Investment Earnings	14,000	11,932	(2,068)
Total Revenues	185,000	134,900	(50,100)
EXPENDITURES			
Current			
Government and Public Affairs			
Coastal Watersheds	109,514	109,514	-
Total Government and Public Affairs	109,514	109,514	-
Contingency			
Managerial Reserve	185,000	-	185,000
Total Contingency	185,000	-	185,000
Total Expenditures	294,514	109,514	185,000
Revenues in Excess of (Less than) Expenditures	(109,514)	25,386	134,900
Net Change in Fund Balance	(109,514)	25,386	134,900
Fund Balance at Beginning of Year	345,760	345,760	-
Fund Balance at End of Year	\$236,246	\$371,146	\$134,900

## South Florida Water Management District

## Special Revenue Fund

## External Grants

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$2,050,000	\$1,289,172	(\$760,828)
Other	65,000	100,000	35,000
Total Revenues	2,115,000	1,389,172	(725,828)
EXPENDITURES			
Current			
Water Resources			
Water Supply	200,000	184,172	15,828
Kissimmee Watershed	133,544	99,078	34,466
Coastal Watersheds	-	(150)	150
Total Water Resources	333,544	283,100	50,444
Government and Public Affairs			
Operations and Maintenance	1,484,664	1,245,719	238,945
Coastal Watersheds	267,000	249,079	17,921
Total Government and Public Affairs	1,751,664	1,494,798	256,866
Everglades Restoration			
Land Stewardship	15,000	-	15,000
Total Everglades Restoration	15,000	-	15,000
Contingency			
Managerial Reserve	1,890,000	-	1,890,000
Total Contingency	1,890,000	-	1,890,000
Total Expenditures	3,990,208	1,777,898	2,212,310
Revenues in Excess of (Less than) Expenditures	(1,875,208)	(388,726)	1,486,482
Net Change in Fund Balance	(1,875,208)	(388,726)	1,486,482
Fund Balance at Beginning of Year	44,443	44,443	-
Fund Balance (Deficit) at End of Year	(\$1,830,765)	(\$344,283)	\$1,486,482

## South Florida Water Management District

## Special Revenue Fund

## Alternative Water Supply

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$6,897	\$6,897
Total Revenues	-	6,897	6,897
OTHER FINANCING SOURCES (USES)			
Transfers Out	(25,924)	(25,924)	-
Total Other Financing Sources (Uses)	(25,924)	(25,924)	-
Net Change in Fund Balance	(25,924)	(19,027)	6,897
Fund Balance at Beginning of Year	220,260	220,260	-
Fund Balance at End of Year	\$194,336	\$201,233	\$6,897

## South Florida Water Management District

## Special Revenue Fund

## Stormwater Treatment Areas - Operations and Maintenance

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$10,234	\$10,234
Other	-	4,211	4,211
Total Revenues	-	14,445	14,445
EXPENDITURES			
Current			
Water Resources			
District Everglades	1,473,113	1,361,531	111,582
Total Water Resources	1,473,113	1,361,531	111,582
Operations and Maintenance			
District Everglades	14,136,313	13,451,343	684,970
Operations and Maintenance	-	51	(51)
Total Operations and Maintenance	14,136,313	13,451,394	684,919
Corporate Resources			
District Everglades	170,632	170,466	166
Total Corporate Resources	170,632	170,466	166
Contingency			
Managerial Reserve	3,565,408	-	3,565,408
Total Contingency	3,565,408	-	3,565,408
Total Expenditures	19,345,466	14,983,391	4,362,075
Revenues in Excess of (Less than) Expenditures	(19,345,466)	(14,968,946)	4,376,520
OTHER FINANCING SOURCES (USES)			
Transfers In	18,531,070	18,531,070	-
Total Other Financing Sources (Uses)	18,531,070	18,531,070	-
Net Change in Fund Balance	(814,396)	3,562,124	4,376,520
Fund Balance at Beginning of Year	4,417,630	4,417,630	-
Fund Balance at End of Year	\$3,603,234	\$7,979,754	\$4,376,520



## South Florida Water Management District

## Special Revenue Fund

## Lake Belt Mitigation

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$4,469,763	\$4,469,763
Investment Earnings	-	261,274	261,274
Total Revenues	-	4,731,037	4,731,037
EXPENDITURES			
Current			
Operations and Maintenance			
Land Stewardship	108,479	104,821	3,658
Total Operations and Maintenance	108,479	104,821	3,658
Total Expenditures	108,479	104,821	3,658
Revenues in Excess of (Less than) Expenditures	(108,479)	4,626,216	4,734,695
OTHER FINANCING SOURCES (USES)			
Transfers Out	(5,739,821)	(5,739,821)	-
Total Other Financing Sources (Uses)	(5,739,821)	(5,739,821)	-
Net Change in Fund Balance	(5,848,300)	(1,113,605)	4,734,695
Fund Balance at Beginning of Year	9,029,741	9,029,741	-
Fund Balance at End of Year	\$3,181,441	\$7,916,136	\$4,734,695

## South Florida Water Management District

## Special Revenue Fund

## Everglades License Plate

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$226,000	\$282,765	\$56,765
Investment Earnings	14,000	16,405	2,405
Total Revenues	240,000	299,170	59,170
EXPENDITURES			
Current			
Water Resources			
District Everglades	833,192	722,145	111,047
Total Water Resources	833,192	722,145	111,047
Total Expenditures	833,192	722,145	111,047
Revenues in Excess of (Less than) Expenditures	(593,192)	(422,975)	170,217
Net Change in Fund Balance	(593,192)	(422,975)	170,217
Fund Balance at Beginning of Year	680,715	680,715	-
Fund Balance at End of Year	\$87,523	\$257,740	\$170,217

## South Florida Water Management District

## Special Revenue Fund

## Lake Okeechobee Trust Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$4,278,256	\$4,391,794	\$113,538
Other	-	-	-
Total Revenues	4,278,256	4,391,794	113,538
EXPENDITURES			
Current			
Water Resources			
Lake Okeechobee	1,917,487	798,657	1,118,830
Total Water Resources	1,917,487	798,657	1,118,830
Operations and Maintenance			
Lake Okeechobee	9,000	9,000	-
Total Operations and Maintenance	9,000	9,000	-
Government and Public Affairs			
Lake Okeechobee	1,776,056	686,047	1,090,009
Total Government and Public Affairs	1,776,056	686,047	1,090,009
Everglades Restoration			
Lake Okeechobee	5,610,666	2,475,075	3,135,591
Total Everglades Restoration	5,610,666	2,475,075	3,135,591
Contingency			
Managerial Reserve	8,355,759	-	8,355,759
Total Contingency	8,355,759	-	8,355,759
Total Expenditures	17,668,968	3,968,779	13,700,189
Revenues in Excess of (Less than) Expenditures	(13,390,712)	423,015	13,813,727
Net Change in Fund Balance	(13,390,712)	423,015	13,813,727
Fund Balance at Beginning of Year	13,038,715	13,038,715	-
Fund Balance (Deficit) at End of Year	(\$351,997)	\$13,461,730	\$13,813,727

## South Florida Water Management District

## Capital Projects Fund

## District CP

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$63,297	\$63,297
Total Revenues	-	63,297	63,297
EXPENDITURES			
Current			
Corporate Resources			
Mission Support	580	(62,553)	63,133
Total Corporate Resources	580	(62,553)	63,133
Total Expenditures	580	(62,553)	63,133
Revenues in Excess of (Less than) Expenditures	(580)	125,850	126,430
Net Change in Fund Balance	(580)	125,850	126,430
Fund Balance (Deficit) at Beginning of Year	(1,352,017)	(1,352,017)	-
Fund Balance (Deficit) at End of Year	(\$1,352,597)	(\$1,226,167)	\$126,430

## South Florida Water Management District

## Capital Projects Fund

## Okeechobee Basin CP

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$2,752,428	\$2,752,428
Investment Earnings	-	455,774	455,774
Other	-	830,892	830,892
Total Revenues	-	4,039,094	4,039,094
EXPENDITURES			
Current			
Water Resources			
Lake Okeechobee	3,000,000	702,184	2,297,816
Coastal Watersheds	167,800	85,481	82,319
Total Water Resources	3,167,800	787,665	2,380,135
Operations and Maintenance			
Operations and Maintenance	48,645,006	27,568,246	21,076,760
Total Operations and Maintenance	48,645,006	27,568,246	21,076,760
Corporate Resources			
Kissimmee Watershed	425,520	46,516	379,004
Total Corporate Resources	425,520	46,516	379,004
Government and Public Affairs			
Operations and Maintenance	5,632	5,632	-
Coastal Watersheds	433,341	374,649	58,692
Total Government and Public Affairs	438,973	380,281	58,692
Everglades Restoration			
Land Stewardship	16,378	16,378	-
Operations and Maintenance	-	3,102,749	(3,102,749)
Kissimmee Watershed	346,794	244,102	102,692
Comprehensive Everglades Restoration Plan	905,290	338,256	567,034
Total Everglades Restoration	1,268,462	3,701,485	(2,433,023)
Contingency			
Managerial Reserve	10,576,657	-	10,576,656
Total Contingency	10,576,656	-	10,576,656
Total Expenditures	64,522,417	32,484,193	32,038,224
Revenues in Excess of (Less than) Expenditures	(64,522,417)	(28,445,099)	36,077,318

## South Florida Water Management District

## Capital Projects Fund

## Okeechobee Basin CP

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers In	46,303,988	46,303,988	-
Total Other Financing Sources (Uses)	46,303,988	46,303,988	-
Net Change in Fund Balance	(18,218,429)	17,858,889	36,077,318
Fund Balance at Beginning of Year	24,779,389	24,779,389	-
Fund Balance at End of Year	\$6,560,960	\$42,638,278	\$36,077,318

## South Florida Water Management District

## Capital Projects Fund

## Big Cypress Basin CP

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$250,000	\$361,438	\$111,438
Total Revenues	250,000	361,438	111,438
EXPENDITURES			
Current			
Operations and Maintenance			
Operations and Maintenance	-	36,288	(36,288)
Total Operations and Maintenance	-	36,288	(36,288)
Corporate Resources			
Operations and Maintenance	-	(700)	700
Total Corporate Resources	-	(700)	700
Government and Public Affairs			
Operations and Maintenance	5,285,000	3,032,816	2,252,184
Comprehensive Everglades Restoration Plan	2,094,466	1,300,151	794,315
Total Government and Public Affairs	7,379,466	4,332,967	3,046,499
Everglades Restoration			
Operations and Maintenance	-	8,578	(8,578)
Comprehensive Everglades Restoration Plan	10,000	-	10,000
Total Everglades Restoration	10,000	8,578	1,422
Contingency			
Managerial Reserve	6,703,334	-	6,703,334
Total Contingency	6,703,334	-	6,703,334
Total Expenditures	14,092,800	4,377,133	9,715,667
Revenues in Excess of (Less than) Expenditures	(13,842,800)	(4,015,695)	9,827,105
OTHER FINANCING SOURCES (USES)			
Transfers In	6,972,500	6,972,500	-
Total Other Financing Sources (Uses)	6,972,500	6,972,500	-
Net Change in Fund Balance	(6,870,300)	2,956,805	9,827,105
Fund Balance at Beginning of Year	13,137,754	13,137,754	-
Fund Balance at End of Year	\$6,267,454	\$16,094,559	\$9,827,105

## South Florida Water Management District

## Capital Projects Fund

## Save Our Rivers CP

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$13,496,741	\$8,289,538	(\$5,207,203)
Investment Earnings	-	518,580	518,580
Other	-	24,900	24,900
Total Revenues	13,496,741	8,833,018	(4,663,723)
EXPENDITURES			
Current			
Corporate Resources			
Kissimmee Watershed	14,100	-	14,100
Coastal Watersheds	-	207,571	(207,571)
Total Corporate Resources	14,100	207,571	(193,471)
Everglades Restoration			
Land Stewardship	20,000	6,001	13,999
Kissimmee Watershed	353,384	93,520	259,864
Lake Okeechobee	391,500	297,354	94,146
Comprehensive Everglades Restoration Plan	11,606,386	7,896,842	3,709,544
Total Everglades Restoration	12,371,270	8,293,717	4,077,553
Contingency			
Managerial Reserve	6,431,799	-	6,431,799
Total Contingency	6,431,799	-	6,431,799
Total Expenditures	18,817,169	8,501,288	10,315,881
Revenues in Excess of (Less than) Expenditures	(5,320,428)	331,730	5,652,158
Net Change in Fund Balance	(5,320,428)	331,730	5,652,158
Fund Balance at Beginning of Year	15,622,667	15,622,667	-
Fund Balance at End of Year	\$10,302,239	\$15,954,397	\$5,652,158



## South Florida Water Management District

## Capital Projects Fund

## Everglades Trust Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Ad Valorem Property Taxes	\$69,990,187	\$69,369,559	(\$620,628)
Agricultural Privilege Taxes	11,600,000	11,675,508	75,508
Intergovernmental	2,000,000	2,126,336	126,336
Investment Earnings	1,300,000	3,609,945	2,309,945
Other	130,000	132,850	2,850
Total Revenues	85,020,187	86,914,198	1,894,011
EXPENDITURES			
Current			
Water Resources			
District Everglades	19,353,422	17,800,911	1,552,511
Total Water Resources	19,353,422	17,800,911	1,552,511
Operations and Maintenance			
District Everglades	9,630,691	8,644,888	985,803
Total Operations and Maintenance	9,630,691	8,644,888	985,803
Corporate Resources			
District Everglades	3,984,017	2,494,342	1,489,675
Comprehensive Everglades Restoration Plan	19,389,006	-	19,389,006
Total Corporate Resources	23,373,023	2,494,342	20,878,681
Everglades Restoration			
District Everglades	19,896,551	13,433,209	6,463,342
Total Everglades Restoration	19,896,551	13,433,209	6,463,342
Debt Service			
COPS Bond Principal Retirement	4,986,064	4,985,565	499
COPS Bond Interest	14,527,820	14,527,320	500
Total Debt Service	19,513,884	19,512,885	999
Contingency			
Managerial Reserve	51,931,888	-	51,931,888
Total Contingency	51,931,888	-	51,931,888
Total Expenditures	143,699,459	61,886,235	81,813,224
Revenues in Excess of (Less than) Expenditures	(58,679,272)	25,027,963	83,707,235

## South Florida Water Management District

## Capital Projects Fund

## Everglades Trust Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers Out	(19,531,070)	(19,531,070)	-
Total Other Financing Sources (Uses)	(19,531,070)	(19,531,070)	-
Net Change in Fund Balance	(78,210,342)	5,496,893	83,707,235
Fund Balance at Beginning of Year	89,068,319	89,068,319	-
Fund Balance at End of Year	\$10,857,977	\$94,565,212	\$83,707,235

South Florida Water Management District  
Capital Projects Fund  
Federal Emergency Management Agency  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$1,035,506	\$589,853	(\$445,653)
Total Revenues	1,035,506	589,853	(445,653)
EXPENDITURES			
Current			
Water Resources			
Coastal Watersheds	937,200	617,473	319,727
Total Water Resources	937,200	617,473	319,727
Operations and Maintenance			
Operations and Maintenance	-	(150)	150
Total Operations and Maintenance	-	(150)	150
Contingency			
Managerial Reserve	296,132	-	296,132
Total Contingency	296,132	-	296,132
Total Expenditures	1,233,332	617,323	616,009
Revenues in Excess of (Less than) Expenditures	(197,826)	(27,470)	170,356
Net Change in Fund Balance	(197,826)	(27,470)	170,356
Fund Balance at Beginning of Year	155,188	155,188	-
Fund Balance (Deficit) at End of Year	(\$42,638)	\$127,718	\$170,356

## South Florida Water Management District

## Capital Projects Fund

## Florida Bay

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$83,675	\$83,675
Investment Earnings	8,806	111,586	102,780
Total Revenues	8,806	195,261	186,455
EXPENDITURES			
Current			
Water Resources			
Coastal Watersheds	1,024,599	861,760	162,839
Comprehensive Everglades Restoration Plan	309,601	226,687	82,914
Total Water Resources	1,334,200	1,088,447	245,753
Corporate Resources			
Coastal Watersheds	8,324	8,324	-
Total Corporate Resources	8,324	8,324	-
Everglades Restoration			
Comprehensive Everglades Restoration Plan	21,844	-	21,844
Total Everglades Restoration	21,844	-	21,844
Contingency			
Managerial Reserve	57,339	-	57,339
Total Contingency	57,339	-	57,339
Total Expenditures	1,421,707	1,096,771	324,936
Revenues in Excess of (Less than) Expenditures	(1,412,901)	(901,510)	511,391
OTHER FINANCING SOURCES (USES)			
Transfers In	1,000,000	1,000,000	-
Total Other Financing Sources (Uses)	1,000,000	1,000,000	-
Net Change in Fund Balance	(412,901)	98,490	511,391
Fund Balance at Beginning of Year	4,028,120	4,028,120	-
Fund Balance at End of Year	\$3,615,219	\$4,126,610	\$511,391

## South Florida Water Management District

## Capital Projects Fund

## Comprehensive Everglades Restoration Plan - Ad Valorem

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$500,000	\$2,181,521	\$1,681,521
Other	-	202,899	202,899
Total Revenues	500,000	2,384,420	1,884,420
EXPENDITURES			
Current			
Water Resources			
Comprehensive Everglades Restoration Plan	9,223,699	7,335,275	1,888,424
Total Water Resources	9,223,699	7,335,275	1,888,424
Operations and Maintenance			
Comprehensive Everglades Restoration Plan	2,979,557	5,536,900	(2,557,343)
Total Operations and Maintenance	2,979,557	5,536,900	(2,557,343)
Corporate Resources			
Comprehensive Everglades Restoration Plan	88,547,749	9,308,703	79,239,046
Total Corporate Resources	88,547,749	9,308,703	79,239,046
Government and Public Affairs			
Comprehensive Everglades Restoration Plan	160,489	157,447	3,042
Total Government and Public Affairs	160,489	157,447	3,042
Everglades Restoration			
Comprehensive Everglades Restoration Plan	39,108,092	32,392,535	6,715,557
Total Everglades Restoration	39,108,092	32,392,535	6,715,557
Debt Service			
COPS Bond Principal Retirement	4,029,435	4,029,435	-
COPS Bond Interest	11,741,273	11,741,273	-
Total Debt Service	15,770,708	15,770,708	-
Contingency			
Managerial Reserve	91,552,699	-	91,552,699
Total Contingency	91,552,699	-	91,552,699
Total Expenditures	247,342,993	70,501,568	176,841,425
Revenues in Excess of (Less than) Expenditures	(246,842,993)	(68,117,148)	178,725,845

South Florida Water Management District  
 Capital Projects Fund  
 Comprehensive Everglades Restoration Plan - Ad Valorem  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfers In	142,350,268	142,350,268	-
Total Other Financing Sources (Uses)	142,350,268	142,350,268	-
Net Change in Fund Balance	(104,492,725)	74,233,120	178,725,845
Fund Balance at Beginning of Year	109,559,956	109,559,956	-
Fund Balance at End of Year	\$5,067,231	\$183,793,076	\$178,725,845

## South Florida Water Management District

## Capital Projects Fund

## Federal Land Acquisitions

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$54,518	\$54,518
Leases	-	1,316,771	1,316,771
Total Revenues	-	1,371,289	1,371,289
Net Change in Fund Balance	-	1,371,289	1,371,289
Fund Balance at Beginning of Year	1,590,004	1,590,004	-
Fund Balance at End of Year	\$1,590,004	\$2,961,293	\$1,371,289

## South Florida Water Management District

## Capital Projects Fund

## Save Our Everglades

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$113,990,894	\$38,416,555	(\$75,574,339)
Leases	-	616,280	616,280
Total Revenues	113,990,894	39,032,835	(74,958,059)
EXPENDITURES			
Current			
Water Resources			
Lake Okeechobee	4,355,000	3,554,259	800,741
Coastal Watersheds	37,480	-	37,480
Total Water Resources	4,392,480	3,554,259	838,221
Operations and Maintenance			
Lake Okeechobee	-	719,077	(719,077)
Coastal Watersheds	-	641,493	(641,493)
Total Operations and Maintenance	-	1,360,570	(1,360,570)
Government and Public Affairs			
Lake Okeechobee	1,285,000	-	1,285,000
Total Government and Public Affairs	1,285,000	-	1,285,000
Everglades Restoration			
Lake Okeechobee	4,769,777	150,326	4,619,451
Coastal Watersheds	4,965,564	1,153,227	3,812,337
Comprehensive Everglades Restoration Plan	34,899,767	34,899,767	-
Total Everglades Restoration	44,635,108	36,203,320	8,431,788
Contingency			
Managerial Reserve	69,136,769	-	69,136,770
Total Contingency	69,136,770	-	69,136,770
Total Expenditures	119,449,358	41,118,149	78,331,209
Revenues in Excess of (Less than) Expenditures	(5,458,464)	(2,085,314)	3,373,150
Net Change in Fund Balance	(5,458,464)	(2,085,314)	3,373,150
Fund Balance at Beginning of Year	2,059,716	2,059,716	-
Fund Balance (Deficit) at End of Year	(\$3,398,748)	(\$25,598)	\$3,373,150



## South Florida Water Management District

## Capital Projects Fund

## Comprehensive Everglades Restoration Plan - Federal Funds

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$468,500	(\$292,909)	(\$761,409)
Other	-	100	100
Total Revenues	468,500	(292,809)	(761,309)
EXPENDITURES			
Current			
Operations and Maintenance			
Comprehensive Everglades Restoration Plan	18,500	18,500	-
Total Operations and Maintenance	18,500	18,500	-
Everglades Restoration			
Comprehensive Everglades Restoration Plan	272	(104)	376
Total Everglades Restoration	272	(104)	376
Contingency			
Managerial Reserve	450,000	-	450,000
Total Contingency	450,000	-	450,000
Total Expenditures	468,772	18,396	450,376
Revenues in Excess of (Less than) Expenditures	(272)	(311,205)	(310,933)
Net Change in Fund Balance	(272)	(311,205)	(310,933)
Fund Balance (Deficit) at Beginning of Year	(386,753)	(386,753)	-
Fund Balance (Deficit) at End of Year	(\$387,025)	(\$697,958)	(\$310,933)

South Florida Water Management District  
Capital Projects Fund  
Acceler8 - Everglades Construction Project  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$9,212,556	\$9,212,556
Sale of District Property	-	41,125	41,125
Other	-	287,520	287,520
Total Revenues	-	9,541,201	9,541,201
EXPENDITURES			
Current			
Operations and Maintenance			
District Everglades	-	24,030,417	(24,030,417)
Total Operations and Maintenance	-	24,030,417	(24,030,417)
Everglades Restoration			
District Everglades	46,847,746	161,436	46,686,310
Total Everglades Restoration	46,847,746	161,436	46,686,310
Contingency			
Managerial Reserve	198,019,978	-	198,019,978
Total Contingency	198,019,978	-	198,019,978
Total Expenditures	244,867,724	24,191,853	220,675,871
Revenues in Excess of (Less than) Expenditures	(244,867,724)	(14,650,652)	230,217,072
OTHER FINANCING SOURCES (USES)			
Transfers In	231,928,900	231,928,900	-
Total Other Financing Sources (Uses)	231,928,900	231,928,900	-
Net Change in Fund Balance	(12,938,824)	217,278,248	230,217,072
Fund Balance at Beginning of Year	12,938,900	12,938,900	-
Fund Balance at End of Year	\$76	\$230,217,148	\$230,217,072

## South Florida Water Management District

## Capital Projects Fund

## Acceler8 - Comprehensive Everglades Restoration Plan

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$ -	\$1,413,929	\$1,413,929
Other	-	8,405,335	8,405,335
Total Revenues	-	9,819,264	9,819,264
EXPENDITURES			
Current			
Everglades Restoration			
Comprehensive Everglades Restoration Plan	29,713,344	15,109,167	14,604,177
Total Everglades Restoration	29,713,344	15,109,167	14,604,177
Total Expenditures	29,713,344	15,109,167	14,604,177
Revenues in Excess of (Less than) Expenditures	(29,713,344)	(5,289,903)	24,423,441
OTHER FINANCING SOURCES (USES)			
Transfers Out	(231,928,900)	(231,928,900)	-
Total Other Financing Sources (Uses)	(231,928,900)	(231,928,900)	-
Net Change in Fund Balance	(261,642,244)	(237,218,803)	24,423,441
Fund Balance at Beginning of Year	266,405,354	266,405,354	-
Fund Balance at End of Year	\$4,763,110	\$29,186,551	\$24,423,441

## South Florida Water Management District

## Permanent Fund

## Wetlands Mitigation

## Schedule of Revenues, Expenditures and Changes in Fund Balance

## Budget and Actual

For the Year Ended September 30, 2009

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment Earnings	\$300,000	\$263,700	(\$36,300)
Licenses, Permits and Fees	-	569,560	569,560
Sale of District Property	-	7,050	7,050
Total Revenues	300,000	840,310	540,310
EXPENDITURES			
Current			
Contingency			
Managerial Reserve	2,283,607	-	2,283,607
Total Contingency	2,283,607	-	2,283,607
Total Expenditures	2,283,607	-	2,283,607
Revenues in Excess of (Less than) Expenditures	(1,983,607)	840,310	2,823,917
OTHER FINANCING SOURCES (USES)			
Transfers In	2,283,607	1,996,926	(286,681)
Transfers Out	(412,535)	(412,535)	-
Total Other Financing Sources (Uses)	1,871,072	1,584,391	(286,681)
Net Change in Fund Balance	(112,535)	2,424,701	2,537,236
Fund Balance at Beginning of Year	7,799,612	7,799,612	-
Fund Balance at End of Year	\$7,687,077	\$10,224,313	\$2,537,236

# **STATISTICAL SECTION**



## Statistical Section

This part of the South Florida Water Management District's Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the District's overall financial health.

### FINANCIAL TRENDS..... VI-2

*These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.*

### REVENUE CAPACITY ..... VI-8

*These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.*

### DEBT CAPACITY ..... VI-17

*These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debts and the District's ability to issue additional debt in the future.*

### DEMOGRAPHIC AND ECONOMIC INFORMATION..... VI-19

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.*

### OPERATING INFORMATION ..... VI-23

*These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District's provides and the activities it performs.*

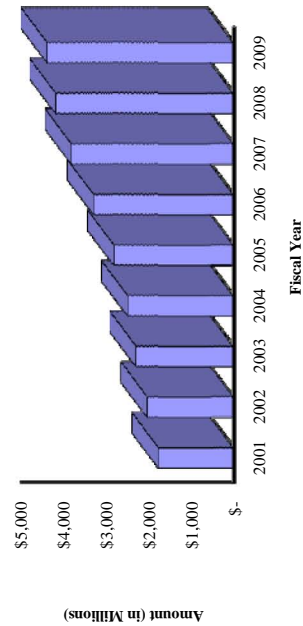
**Sources:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.*

**Schedule 1**  
**South Florida Water Management District**  
**Net Assets by Category**  
Last Nine Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008 <sup>1</sup>	2009
Invested in capital assets, net of related debt	\$ 1,510,106,373	\$ 1,701,250,828	\$ 1,962,938,768	\$ 2,199,470,206	\$ 2,473,840,536	\$ 2,991,538,729	\$ 3,398,712,773	\$ 3,679,678,118	\$ 3,788,956,243
Restricted for:									
Debt Service	6,046,727	4,690,501	6,509,648	9,873,615	8,172,744	5,842,813	26,937,291	28,235,089	28,523,676
Wetlands Mitigation Expendable	10,726,221	14,855,135	19,199,337	20,463,621	14,048,767	13,048,502	11,552,393	13,790,936	16,476,384
Nonexpendable	5,570,107	5,380,398	5,656,211	6,945,763	7,030,157	7,230,157	7,538,957	7,687,077	10,262,096
Environmental Programs		55,443,173	69,154,265	32,524,198	26,097,971	40,830,660	49,828,254	57,195,146	51,814,854
Totals for Restricted	22,343,055	80,369,207	100,519,461	69,807,197	55,349,639	66,952,132	95,856,895	106,908,248	107,077,010
Unrestricted	221,370,715	231,346,934	212,417,921	204,525,775	266,450,259	215,398,367	301,251,768	379,896,285	471,387,884
Total Net Assets	\$ 1,753,820,143	\$ 2,012,966,969	\$ 2,275,876,150	\$ 2,473,803,178	\$ 2,795,640,434	\$ 3,273,889,228	\$ 3,795,821,436	\$ 4,166,482,651	\$ 4,367,421,137

Notes: South Florida Water Management District converted to GASB 34 in 2001, the first year a Statement of Net Assets was presented by the District.

<sup>1</sup> Ending net assets restated by \$41,053,467.





**Schedule 2**  
**South Florida Water Management District**  
**Changes in Net Assets**  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Functions/Programs</b>								
<b>Expenses</b>								
Land Stewardship					\$ 19,315,572	\$ 14,480,201	\$ 13,284,667	\$ 10,738,916
District Everglades					40,238,293	71,929,012	70,075,520	63,833,971
Operations and Maintenance					72,203,106	83,000,117	133,247,616	122,678,739
Water Supply					55,510,219	59,868,436	54,678,200	31,382,864
Kissimmee Watershed					36,033,207	12,166,328	7,638,402	6,935,126
Regulation					15,729,501	17,322,886	19,001,809	19,471,100
Lake Okeechobee					14,476,700	26,628,565	20,614,407	16,938,853
Coastal Watersheds					32,415,897	32,484,337	40,076,948	27,699,261
Mission Support					115,901,217	128,467,596	103,599,908	105,245,086
Comprehensive Everglades Restoration Plan					60,600,287	24,865,512	41,425,271	48,209,647
Modeling and Scientific Support						15,550,268	15,628,709	15,967,281
Interest on Long-Term Debt					5,862,342	25,466,262	27,496,071	26,880,613
Total Expenses	\$ 357,547,401	\$ 299,134,119	\$ 373,574,001	\$ 417,298,017	\$ 468,286,341	\$ 512,229,520	\$ 546,767,528	\$ 495,981,457
<b>Program Revenues</b>								
Operating Grants & Contributions								
Land Stewardship					15,225,629	20,820,155	20,901,880	4,499,763
District Everglades					610,693		276,467	282,765
Operations and Maintenance					22,501,171	11,468,898	18,385,334	15,570,381
Water Supply					26,382,690	51,191,903	27,147,888	7,638,874
Kissimmee Watershed						273,714		123,563
Regulation						13,355	24,286	16,364
Lake Okeechobee					513,787	13,461,000	120,000	1,731,316
Coastal Watersheds					179,553	2,425,932	20,104,395	8,901,483
Mission Support								-
Comprehensive Everglades Restoration Plan							602,441	-
Modeling and Scientific Support						166,337		22,687
Interest on Long-Term Debt						7,012,877		-
Total Operating Grants & Contributions	103,899,298	71,994,832	41,968,192	93,011,818	65,413,523	106,834,171	87,562,691	38,787,196

**Schedule 2**  
**South Florida Water Management District**  
**Changes in Net Assets**  
Last Eight Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Functions/Programs</b>								
Capital Grants & Contributions:								
Land Stewardship					3,609,064		8,465,041	753,298
District Everglades					2,094,606	171,772,287	2,000,000	2,000,000
Operations and Maintenance					3,032,753	21,986,733	38,902,263	29,128
Water Supply					1,371,778	7,250		-
Kissimmee Watershed					54,741,895	4,953,070	54,236,563	8,289,538
Regulation								-
Lake Okeechobee					3,509,464		38,427,581	3,845,913
Coastal Watersheds					1,613,921	4,431,805	38,932,855	559,308
Mission Support						612,722	1,902,128	12,000
Comprehensive Everglades Restoration Plan					306,472,126	81,680,055	58,318,980	38,516,968
Modeling and Scientific Support								-
Interest on Long-Term Debt					7,014,759		7,013,874	7,023,871
Total Capital Grants & Contributions	222,092,228	144,884,863	157,103,336	208,558,280	383,460,366	285,443,922	248,199,285	61,030,024
Charges for Services	7,583,178	15,482,234	10,820,870	9,495,049				
Land Stewardship							6,292,595	3,207,336
Operations and Maintenance							96,030	73,585
Regulation						12,761,049	4,630,694	6,061,734
Mission Support							148,175	99,733
Total Charges for Services	7,583,178	15,482,234	10,820,870	9,495,049	11,805,719	12,761,049	11,167,494	9,442,388
Total Program Revenues	333,574,704	232,361,929	209,892,398	311,065,147	460,679,608	405,039,142	346,929,470	109,259,608
Net (Expense)/Revenue	(23,972,697)	(66,772,190)	(163,681,603)	(106,232,870)	(7,606,733)	(107,190,378)	(199,838,058)	(386,721,849)
<b>General Revenues</b>								
Taxes:								
Property Taxes, Levied for General Purposes	279,028,610	308,054,749	343,908,082	325,825,399	386,282,388	476,628,776	475,621,991	451,384,521
Property Taxes, Levied for Everglades Construction				62,577,693	70,980,322	84,882,009	84,388,098	81,045,067
Investment Earnings	9,711,920	10,387,350	8,254,627	7,845,492	18,440,431	47,506,506	37,834,818	28,483,350
Miscellaneous	7,884,053	11,239,272	9,445,921	31,821,543	11,220,865	20,105,295	13,707,833	26,747,397
Gain on Sale of Capital Assets					15,365,812			
Total General Revenues	296,624,583	329,681,371	361,608,630	428,070,127	502,289,818	629,122,586	611,552,740	587,660,335
Total Revenue	630,199,287	562,043,300	571,501,028	739,135,274	962,969,426	1,034,161,728	958,482,210	696,919,943
<b>Change in Net Assets</b>	<b>\$ 272,651,886</b>	<b>\$ 262,909,181</b>	<b>\$ 197,927,027</b>	<b>\$ 321,837,257</b>	<b>\$ 494,683,085</b>	<b>\$ 521,932,208</b>	<b>\$ 411,714,682</b>	<b>\$ 200,938,486</b>

Notes: South Florida Water Management District converted to GASB 34 in 2001.

The first year the District presented a programmatic Statement of Activities was fiscal year 2002.

In fiscal year 2006 the District changed its level of control. Due to this change only totals will be presented for all years prior to fiscal year 2006.

**Schedule 3**

**South Florida Water Management District**

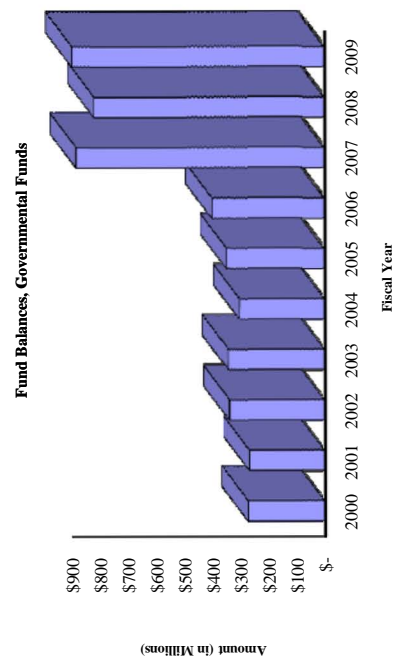
**Fund Balances, Governmental Funds**

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 10,549,806	\$ 16,460,385	\$ 14,852,102	\$ 11,765,623	\$ 10,503,187	\$ 12,557,883	\$ 11,933,752	\$ 9,776,476	\$ 9,296,735	\$ 7,631,800
Unreserved	25,924,522	32,604,539	23,338,160	22,181,011	28,534,385	26,251,006	37,101,833	54,269,757	84,982,169	81,084,241
Total General Fund	36,474,328	49,064,924	38,190,262	33,946,634	39,037,572	38,808,889	49,035,585	64,046,233	94,278,904	88,716,041
All Other Governmental Funds										
Reserved	150,515,183	102,578,012	157,553,563	209,167,052	238,721,295	178,809,881	137,723,123	202,169,397	95,628,437	100,455,114
Unreserved, reported in:										
Special Revenue Funds	33,391,279	32,336,064	57,641,290	67,478,234	44,639,896	98,731,116	98,778,294	120,286,117	126,025,864	137,081,191
Capital Project Funds	50,728,253	81,941,984	83,700,381	29,896,880	(21,388,585)	30,963,011	113,473,976	497,274,716	504,835,607	572,503,303
Permanent Fund		230,668	(194)	120,721	216,480	156,240	11,904	124,439	(902,266)	(37,783)
Total All Other Governmental Funds	234,634,715	217,086,728	298,895,040	306,662,887	262,189,086	308,660,248	349,987,297	819,854,669	725,587,642	810,001,825
Grand Total	\$ 271,109,043	\$ 266,151,652	\$ 337,085,302	\$ 340,609,521	\$ 301,226,658	\$ 347,469,137	\$ 399,022,882	\$ 883,900,902	\$ 819,866,546	\$ 898,717,866

Note: The increase in fund balance in fiscal year 2007 is a result of the issuance of Certificates of Participation (COPS). Series 2006, in the amount of \$546,120,000, the proceeds of which will be used to provide funds for the construction of the Acceler8 projects. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.



**Schedule 4**  
**South Florida Water Management District**  
**Changes in Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 237,882,520	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 443,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080
Agricultural Privilege Taxes		12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807	11,661,037	11,662,609	11,675,508
Intergovernmental	109,108,043	120,485,927	327,863,368	216,734,066	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268
Investment Earnings	18,001,341	18,581,132	9,861,898	10,532,979	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350
Licenses, Permits and Fees	12,142,979	9,105,446	5,731,531	12,458,105	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332
Self-Insurance Premiums		2,323,352	1,979,866	2,518,647	2,878,819	2,816,417	1,992,597	2,536,441	3,109,956	2,548,463
Sale of District Property		4,996,686	826,406	1,966,859	770,698	20,564,902	943,075	669,441	1,521,780	342,759
Indirect Costs Recovered		2,966,738	3,072,510	3,881,216	4,473,238	4,388,282	4,250,305	5,814,975	8,460,722	6,885,448
Leases		2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055
Other	8,771,829	880,003	1,772,471	2,717,651	1,170,839	3,551,069	4,034,888	11,714,828	1,502,932	11,173,458
Total Revenues	385,906,712	417,501,467	632,221,107	562,043,300	569,501,028	739,135,274	947,603,614	847,320,633	910,086,790	688,614,721
<b>EXPENDITURES</b>										
Current Operating	241,921,787	274,675,757	324,229,088	319,598,748	340,643,689	404,980,082		14,755,024	17,741,888	10,611,867
Land Stewardship							14,373,694	44,068,392	64,768,084	46,671,791
District Everglades Operations and Maintenance							92,631,396	97,432,062	122,428,383	109,380,204
Water Supply							55,327,584	59,788,850	54,921,477	31,170,134
Kissimmee Watershed Regulation							9,950,615	11,276,315	8,745,155	7,071,868
Lake Okeechobee Coastal Watersheds							15,712,972	17,330,960	18,780,840	19,479,529
Mission Support							15,282,944	30,531,429	58,073,823	19,802,752
Comprehensive Everglades Restoration Plan Modeling and Scientific Support							32,433,357	32,697,566	40,216,550	28,238,255
							112,631,686	109,436,655	107,521,245	102,689,836
							85,837,595	120,885,522	40,972,412	30,180,213
							15,794,092	16,628,572	15,571,695	16,781,031
Capital Outlay	99,605,065	113,020,124	237,726,536	238,468,225	252,652,260	284,130,917	475,145,947	274,226,563	379,030,673	143,169,182
Debt Service										
Bond Principal Retirement	3,820,000	3,985,000	4,160,000	3,450,000	2,025,000	3,260,000	4,500,000	4,660,000	4,785,000	4,975,000
Bond Interest and Other Fiscal Charges	4,032,838	3,861,824	3,677,680	2,728,371	1,981,904	2,583,429	2,444,126	2,303,401	2,143,086	1,940,171
Bank Loan Principal Payments					10,558,228	4,872,193	3,577,553	86,847,342	3,247,469	1,832,482
Bank Loan Interest					915,934	610,763	740,199	580,847	390,991	279,620
Bond Issuance Costs			421,036	608,179						
Defeasance Costs			1,880,274	1,633,561						
Capital Lease Principal Payments					1,405,367	1,296,990	1,144,988	968,060	502,187	193,161
Capital Lease Interest					100,935	98,004	81,584	53,983	25,894	12,712
COPS Principal Retirement								10,091,807	7,675,000	9,015,000
COPS Interest									26,579,294	26,268,593
Total Expenditures	349,379,690	395,542,705	572,094,614	566,487,084	610,283,317	701,832,378	978,049,869	934,563,350	974,121,146	609,763,401
Revenues in Excess of (Less Than) Expenditures	36,527,022	21,958,762	60,126,493	(4,443,784)	(40,782,289)	37,302,896	(30,446,255)	(87,242,717)	(64,034,356)	78,851,320

**Schedule 4**  
**South Florida Water Management District**  
**Changes in Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	60,483,572	66,373,071	80,489,239	117,935,376	146,298,313	142,255,948	212,798,171	261,893,797	214,646,804	454,498,325
Transfers Out	(60,266,625)	(66,373,071)	(80,489,239)	(117,935,376)	(146,298,313)	(142,255,948)	(212,798,171)	(261,893,797)	(214,646,804)	(454,498,325)
Land Acquisition Refunding Bonds Issues			23,810,000	34,550,000						
Proceeds of Bond Issuance				2,460,629				26,081,797		
Premium on Bonds Issued				(102,843)				(81,060)		
Discount on Bonds Issued				(21,900,000)						
Payment to Bond Escrow Agent			9,000,000	4,827,374		8,000,000	82,000,000			
Proceeds of Bank Loan	10,000,000									
Proceeds of Capital Leases	1,335,440	3,530,940		1,500,000	1,399,426	939,583		546,120,000		
Proceeds of Certificate of Participation (COPS)										
Total Other Financing Sources (Uses)	<u>11,552,387</u>	<u>3,530,940</u>	<u>10,807,157</u>	<u>7,968,003</u>	<u>1,399,426</u>	<u>8,939,583</u>	<u>82,000,000</u>	<u>572,120,737</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 48,079,409</u>	<u>\$ 25,489,702</u>	<u>\$ 70,933,650</u>	<u>\$ 3,524,219</u>	<u>\$ (39,382,863)</u>	<u>\$ 46,242,479</u>	<u>\$ 51,553,745</u>	<u>\$ 484,878,020</u>	<u>\$ (64,034,356)</u>	<u>\$ 78,851,320</u>
Debt Service as a percentage of noncapital expenditures <sup>1</sup>	3.60%	3.03%	2.21%	3.40%	4.90%	2.88%	2.65%	26.02%	8.42%	6.39%

Note: The increase in the debt service ratio in fiscal year 2007 is due to the issuance of Certificates of Participation (COPS), Series 2006, in the amount of \$546,120,000. Details regarding the District's outstanding debt can be found in Note 10 of the financial statements.

<sup>1</sup> For purposes of calculating debt service as a percentage of noncapital expenditures, noncapital expenditures excludes expenditures that are classified as capital outlay on the government-wide financial statements, which may be different than those shown above. The noncapital expenditure amount used in the calculation is determined by subtracting the capital outlay amount shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (see page III-11) from the total expenditure amount shown above.

**Schedule 5**  
**South Florida Water Management District**  
**Revenues by Source**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Taxes	\$ 237,882,520	\$ 243,421,127	\$ 266,530,649	\$ 295,177,218	\$ 331,671,331	\$ 376,053,364	\$ 445,749,903	\$ 549,849,748	\$ 548,747,480	\$ 520,754,080
Agricultural Privilege Taxes	-	12,728,614	12,497,961	12,877,531	12,236,751	12,349,728	11,512,807	11,661,037	11,262,609	11,675,508
Intergovernmental	109,108,043	120,485,927	327,863,368	216,734,066	196,951,248	301,439,509	448,598,226	204,806,608	286,478,999	97,309,268
Investment Earnings	18,001,341	18,581,132	9,861,898	10,532,979	8,374,907	7,976,081	18,716,094	47,506,507	37,834,818	28,483,350
Licenses, Permits & Fees	12,142,979	9,105,446	5,731,531	12,458,105	6,359,132	5,999,113	6,906,828	8,113,937	5,507,593	6,538,332
Leases	-	2,012,442	2,084,447	3,179,028	4,614,065	3,996,809	4,898,891	4,647,111	5,659,901	2,904,055
Other	8,771,829	11,166,779	7,651,253	11,084,373	9,293,594	31,320,670	11,220,865	20,735,685	14,595,390	20,950,128
<b>Total</b>	<b>\$ 385,906,712</b>	<b>\$ 417,501,467</b>	<b>\$ 632,221,107</b>	<b>\$ 562,043,300</b>	<b>\$ 569,501,028</b>	<b>\$ 739,135,274</b>	<b>\$ 947,603,614</b>	<b>\$ 847,320,633</b>	<b>\$ 910,086,790</b>	<b>\$ 688,614,721</b>

**Schedule 6**  
**South Florida Water Management District**  
**Property Tax Revenue by County**  
Last Ten Fiscal Years  
(in Thousands)

Fiscal Year	Broward	Charlotte *	Collier	Miami-Dade	Glades	Hendry	Highlands *	Lee
2000	46,891 19.71%	41 0.02%	13,294 5.59%	61,813 25.98%	240 0.10%	2,747 1.15%	285 0.12%	17,046 7.17%
2001	50,643 19.77%	44 0.02%	15,101 5.90%	65,646 25.63%	261 0.10%	2,764 1.08%	336 0.13%	19,092 7.45%
2002	55,284 19.81%	56 0.02%	17,049 6.11%	70,853 25.39%	266 0.10%	2,792 1.00%	324 0.12%	21,427 7.68%
2003	61,921 20.10%	58 0.02%	20,079 6.52%	77,472 25.15%	276 0.09%	2,757 0.89%	328 0.11%	24,867 8.07%
2004	68,896 20.03%	69 0.02%	23,032 6.70%	89,879 26.13%	294 0.09%	2,806 0.82%	280 0.08%	28,842 8.39%
2005	77,187 19.87%	75 0.02%	26,063 6.71%	99,372 25.58%	298 0.08%	2,903 0.75%	362 0.09%	33,775 8.70%
2006	89,586 19.59%	105 0.02%	31,274 6.84%	116,767 25.54%	366 0.08%	2,834 0.62%	380 0.08%	43,411 9.49%
2007	105,682 18.82%	117 0.02%	39,245 6.99%	139,563 24.85%	513 0.09%	3,232 0.58%	672 0.12%	60,215 10.72%
2008	106,200 18.96%	222 0.04%	38,430 6.86%	145,653 26.01%	449 0.08%	3,103 0.55%	555 0.10%	58,010 10.36%
2009	101,545 19.07%	96 0.02%	36,569 6.87%	143,415 26.94%	410 0.08%	2,900 0.54%	536 0.10%	50,973 9.57%

\* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.

**Schedule 6**  
**South Florida Water Management District**  
**Property Tax Revenue by County**  
Last Ten Fiscal Years  
(in Thousands)

Fiscal Year	Martin	Monroe	Okeechobee *	Orange *	Osceola *	Palm Beach	Polk *	St. Lucie	Total
2000	6,521 2.74%	6,108 2.57%	582 0.24%	14,935 6.28%	5,056 2.13%	56,613 23.80%	305 0.13%	5,406 2.27%	237,883 100.00%
2001	7,040 2.75%	6,721 2.62%	633 0.25%	16,786 6.55%	5,633 2.20%	59,605 23.27%	304 0.12%	5,541 2.16%	256,150 100.00%
2002	7,503 2.69%	7,725 2.77%	661 0.24%	17,980 6.44%	6,605 2.37%	64,308 23.04%	374 0.13%	5,821 2.09%	279,028 100.00%
2003	8,119 2.64%	8,413 2.73%	700 0.23%	18,418 5.98%	7,252 2.35%	70,578 22.91%	440 0.14%	6,377 2.07%	308,055 100.00%
2004	8,860 2.58%	9,801 2.85%	781 0.23%	19,122 5.56%	8,080 2.35%	75,408 21.92%	491 0.14%	7,267 2.11%	343,908 100.00%
2005	10,414 2.68%	11,716 3.02%	910 0.23%	20,766 5.35%	9,119 2.35%	85,636 22.05%	595 0.15%	9,212 2.37%	388,403 100.00%
2006	12,413 2.71%	14,678 3.21%	1,016 0.22%	22,945 5.02%	10,868 2.38%	98,021 21.45%	790 0.17%	11,809 2.58%	457,263 100.00%
2007	13,846 2.47%	17,907 3.19%	1,481 0.26%	28,104 5.01%	14,495 2.58%	118,700 21.14%	1,322 0.24%	16,416 2.92%	561,510 100.00%
2008	13,724 2.45%	17,254 3.08%	1,399 0.25%	29,268 5.23%	15,810 2.82%	112,805 20.15%	1,568 0.28%	15,560 2.78%	560,010 100.00%
2009	12,370 2.32%	15,932 2.99%	1,218 0.23%	29,852 5.61%	15,614 2.93%	106,580 20.02%	1,446 0.27%	12,974 2.44%	532,430 100.00%

\* Amounts represent property taxes only for the portion of the county that is within the District's boundaries.



**Schedule 7**  
**South Florida Water Management District**  
**Direct Property Tax Rates**  
Last Ten Fiscal Years  
(Rate per \$1,000 of assessed value)

Fiscal Year	Okeechobee Basin		Big Cypress Basin	
	District	Basin	District	Basin
		Total		Total
2000	0.2840	0.4130	0.2840	0.2780
2001	0.2840	0.4130	0.2840	0.2780
2002	0.2840	0.4130	0.2840	0.2425
2003	0.2840	0.4130	0.2840	0.2425
2004	0.2840	0.4130	0.2840	0.2425
2005	0.2840	0.4130	0.2840	0.2425
2006	0.2840	0.4130	0.2840	0.2425
2007	0.2840	0.4130	0.2840	0.2425
2008	0.2549	0.3691	0.2549	0.2265
2009	0.2549	0.3691	0.2549	0.2265

- Notes:
- i Since South Florida Water Management District is a regional governmental unit, it is not reasonable to present overlapping property tax rates.
  - ii The reduction of property tax rates in fiscal year 2008 is a result of the passage of House Bill 1-B, which required a reduction in taxes by all local governments and special taxing districts.
  - iii State law limits the combined District-at-Large and basin tax millage for each of the two basins at 0.8 mills (\$0.80 per \$1,000 of taxable value). The state constitutional limit is slightly higher at 1 mill (\$1.00 per \$1,000 of taxable value).
- Source: South Florida Water Management District Budget Department.

**Schedule 8**  
**South Florida Water Management District**  
**Property Tax Collections**  
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	District Wide Tax Rate	Okeechobee Basin Tax Rate	Big Cypress Basin Tax Rate	Collections within the Fiscal Year of the Levy		Percentage of Levy		Collection of Prior Year Taxes <sup>1</sup>	Total Collections to Date	Percentage of Levy <sup>2</sup>
				Total Tax Levy	\$					
2000	0.2840	0.4130	0.2780	\$ 223,856,081	\$	223,101,636	99.7%	\$ 1,378,159	\$ 224,479,795	100.3%
2001	0.2840	0.4130	0.2780	241,403,497		241,321,389	100.0%	1,269,213	242,590,602	100.5%
2002	0.2840	0.4130	0.2425	265,735,680		264,039,232	99.4%	2,355,772	266,395,004	100.2%
2003	0.2840	0.4130	0.2425	295,346,451		292,857,702	99.2%	1,860,683	294,718,385	99.8%
2004	0.2840	0.4130	0.2425	331,860,455		329,382,620	99.3%	1,777,530	331,160,150	99.8%
2005	0.2840	0.4130	0.2425	375,371,188		372,357,871	99.2%	2,696,744	375,054,615	99.9%
2006	0.2840	0.4130	0.2425	444,075,931		423,518,333	95.4%	2,090,550	425,608,883	95.8%
2007	0.2840	0.4130	0.2425	553,009,838		554,836,040	100.3%	3,623,093	558,459,133	101.0%
2008	0.2549	0.3691	0.2265	549,484,359		539,248,357	98.1%	5,829,932	545,078,289	99.2%
2009	0.2549	0.3691	0.2265	525,229,365		514,311,078	97.9%	5,256,004	519,567,082	98.9%

<sup>1</sup> Reflects taxes collected during the year that were levied in prior years. Not all tax collectors provide information sufficient to distinguish prior year tax collections by year that the tax was levied.

<sup>2</sup> Includes taxes collected for the current year levy plus collections of taxes that were levied in prior years. As such collections could be greater than 100% of the taxes levied during the year.

**Schedule 9**  
**South Florida Water Management District**  
**Taxable Property Values and Just Values of Taxable Property by County**  
Current Fiscal Year

County	Just Value <sup>1</sup>	Taxable Value <sup>2</sup>	Taxable Value as a percentage of Just Value
Broward	\$ 249,148,710,685	\$ 168,208,428,100	67.51%
Charlotte *	218,517,145	159,359,815	72.93%
Collier	101,765,979,722	79,234,004,665	77.86%
Glades	4,966,448,724	696,949,196	14.03%
Hendry	6,997,478,157	2,368,228,038	33.84%
Highlands *	1,359,790,512	865,627,288	63.66%
Lee	110,753,036,443	85,044,602,333	76.79%
Martin	31,660,484,020	20,590,910,800	65.04%
Miami-Dade	371,968,074,359	247,463,592,068	66.53%
Monroe	37,388,669,738	26,918,163,901	72.00%
Okeechobee *	4,531,510,339	2,071,709,042	45.72%
Orange *	69,697,664,009	50,065,232,939	71.83%
Osceola *	39,019,826,560	26,340,684,537	67.51%
Palm Beach	223,427,841,508	160,520,667,143	71.84%
Polk *	3,612,732,070	2,400,511,382	66.45%
St. Lucie	33,777,284,975	21,793,668,809	64.52%
	<u>\$ 1,290,294,048,966</u>	<u>\$ 894,742,340,056</u>	<u>69.34%</u>

\* County is only partially within the District's boundaries.

- <sup>1</sup> Source: Florida Department of Revenue, Florida Property Valuations and Tax Data Book.  
Partial county just value is calculated based on the percentage of taxable value that is within the District's boundaries compared to the taxable value of the whole county.  
Just value is a legal synonym for "full cash value" or "fair market value".
- <sup>2</sup> Source: South Florida Water Management District Budget Department, FY 2009 Budget.  
Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution.

**Schedule 10**  
**South Florida Water Management District**  
**Taxable Value of Property**  
Last Ten Fiscal Years

Fiscal Year	Real Property <sup>1</sup>	Personal Property <sup>2</sup>	Centrally Assessed Property <sup>3</sup>	Total	District		Okeechobee Basin		Total Direct Tax	
					Tax Rate <sup>4</sup>	Rate <sup>4</sup>	Tax Rate <sup>4</sup>	Rate <sup>4</sup>	Rate <sup>5</sup>	Rate <sup>5</sup>
2000	\$ 306,774,262,918	\$ 32,253,561,534	\$ 206,040,457	\$ 339,233,864,909	2.84	2.84	4.13	4.13	6.97	6.97
2001	332,021,252,166	33,859,267,491	217,415,732	366,097,935,389	2.84	2.84	4.13	4.13	6.97	6.97
2002	370,073,604,685	34,976,828,360	215,255,462	405,265,688,507	2.84	2.84	4.13	4.13	6.97	6.97
2003	414,399,307,427	36,399,225,671	219,964,194	451,018,497,292	2.84	2.84	4.13	4.13	6.97	6.97
2004	469,651,692,616	37,277,744,647	239,306,014	507,168,743,277	2.84	2.84	4.13	4.13	6.97	6.97
2005	535,652,622,464	37,581,256,994	249,689,014	573,483,568,472	2.84	2.84	4.13	4.13	6.97	6.97
2006	639,271,275,218	39,061,362,113	270,717,328	678,603,354,659	2.84	2.84	4.13	4.13	6.97	6.97
2007	803,519,922,519	41,423,176,998	284,238,697	845,227,338,214	2.84	2.84	4.13	4.13	6.97	6.97
2008	892,858,395,941	42,892,968,298	300,886,190	936,052,250,429	2.55	2.55	3.69	3.69	6.24	6.24
2009	853,857,161,850	40,515,829,852	369,348,354	894,742,340,056	2.55	2.55	3.69	3.69	6.24	6.24

Note: Since the District applies its tax rates to the taxable value of property, the taxable value has been shown in this schedule. Taxable value is defined as assessed value which has been adjusted for any exemptions provided by the State Constitution. Valuations are as of January 1 on the calendar year preceding the applicable District fiscal year.

- <sup>1</sup> Real property refers to land and land improvements. It includes any buildings or structures located on the land  
<sup>2</sup> Personal property includes property that can be moved from one location to another  
<sup>3</sup> Centrally assessed property generally refers to properties that are assessed as a whole unit. A railroad is an example of centrally assessed property.  
<sup>4</sup> Tax rates are per \$1,000 of assessed value.  
<sup>5</sup> Tax rates are per \$1,000 of assessed value. Total direct tax rate represents the rate in 15 of the District's 16 counties. Collier County is the District's only county which is not geographically located in the Okeechobee Basin.

Source: South Florida Water Management District Budget Department, Form DR-420s.

**Schedule 11**  
**South Florida Water Management District**  
**Assessed Value Per Capita**  
 Last Ten Calendar Years

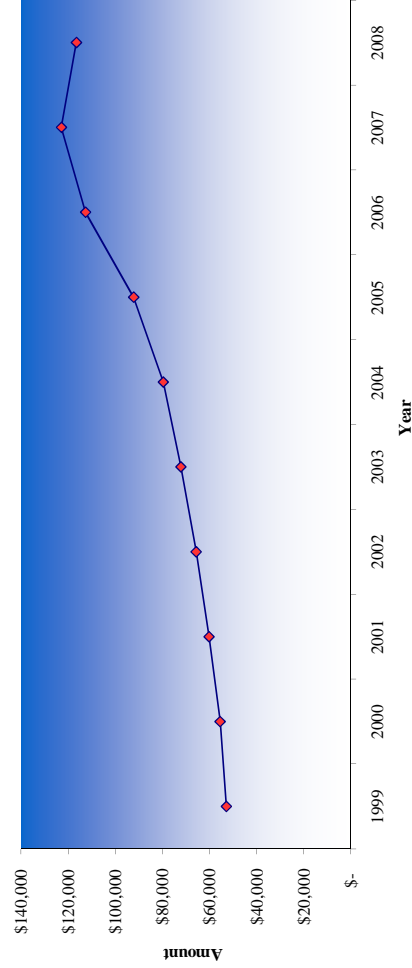
	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Property Value <sup>1</sup> (in Billions)	\$ 339.2	\$ 366.1	\$ 405.3	\$ 451.0	\$ 507.2	\$ 573.5	\$ 678.6	\$ 845.2	\$ 936.1	\$ 894.7
District Population <sup>2</sup>	6,418,881	6,594,274	6,728,467	6,864,738	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,678,964
Assessed Property Value Per Capita	\$ 52,844	\$ 55,518	\$ 60,237	\$ 65,698	\$ 72,175	\$ 79,654	\$ 92,205	\$ 112,625	\$ 122,885	\$ 116,513

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<sup>1</sup> Assessed value is as of January 1st for real, personal and centrally assessed property located within the boundaries of the District.

<sup>2</sup> Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District.

**Assessed Property Value Per Capita**



**Schedule 12**  
**South Florida Water Management District**  
**Principal Property Tax Payers**  
Current Year and Three Years Prior

	2009			2006		
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank
	Florida Power & Light Company	\$ 10,197,693,267	1	1.14%	\$ 6,331,743,321	1
	Walt Disney Company	6,973,735,452	2	0.78%	6,194,118,181	2
	Bellsouth Telecommunications, Inc.	2,047,065,669	3	0.23%	1,401,827,566	4
	Universal	1,338,070,478	4	0.15%	1,565,314,671	3
	Marriott Ownership Resorts, Inc.	1,021,422,617	5	0.11%	1,261,567,853	5
	Westgate Properties	795,274,797	6	0.09%	1,001,813,446	6
	Progressive Energy	692,814,469	7	0.08%	396,000,000	10
	Orange Lake CC	593,745,804	8	0.07%	-	-
	Embarq Florida	589,993,491	9	0.07%	-	-
	Vistana	567,758,142	10	0.06%	580,584,834	7
	Florida Power Corporation <sup>1</sup>	-	-	-	572,654,709	8
	R H Resorts/Rosen Hotels	-	-	-	418,720,980	9
	Totals	\$ 24,817,574,186		2.78%	\$ 19,724,345,561	
						2.91%

Notes: Amounts represent assessed value as of January 1 of the year presented.

The earliest year for which this data is available is fiscal year 2006. As such, 2006 will be the base year for comparison. The amounts shown reflect county totals even though some counties may only partially be within the District's boundaries.

<sup>1</sup> Florida Power Corporation now operates as Progressive Energy.

Source: Data was obtained from the Tax Collector or Property Appraiser for the sixteen counties that are included in South Florida Water Management District's geographical boundaries.

**Schedule 13**  
**South Florida Water Management District**  
**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Governmental Activities							Total Outstanding Debt	Percentage of Personal Income <sup>3</sup>	Per Capita
	Land Acquisition Bonds - WMLTF <sup>2</sup>	Land Purchases	Capital Leases	Bank Loans	Certificates of Participation					
	Payable									
2000	\$ 76,060,000	\$ -	\$ 4,520,677	\$ 25,824,243	\$ -	-	\$ 106,404,920	0.0567%	\$ 16.14	
2001	72,075,000	-	6,273,316	22,470,636	-	-	100,818,952	0.0514%	14.98	
2002	69,825,000	-	4,125,961	26,764,555	-	-	100,715,516	0.0496%	14.67	
2003	65,555,000	112,142,857	3,379,304	26,888,088	-	-	207,965,249	0.0986%	29.59	
2004	63,530,000	134,396,198	3,373,363	16,329,860	-	-	217,629,421	0.0938%	30.23	
2005	60,270,000	100,108,087	3,008,733	19,456,880	-	-	182,843,700	0.0726%	24.84	
2006 <sup>1</sup>	55,770,000	77,679,516	1,863,645	97,878,527	-	-	233,191,688	0.0851%	31.07	
2007	51,110,000	40,219,445	895,678	11,031,537	546,120,000	-	649,376,660	0.2265%	85.25	
2008	46,325,000	40,910,434	393,491	7,783,160	538,445,000	-	633,857,085	0.2154%	82.54	
2009	41,350,000	-	200,330	5,950,678	529,430,000	-	576,931,008	0.2006%	75.65	

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

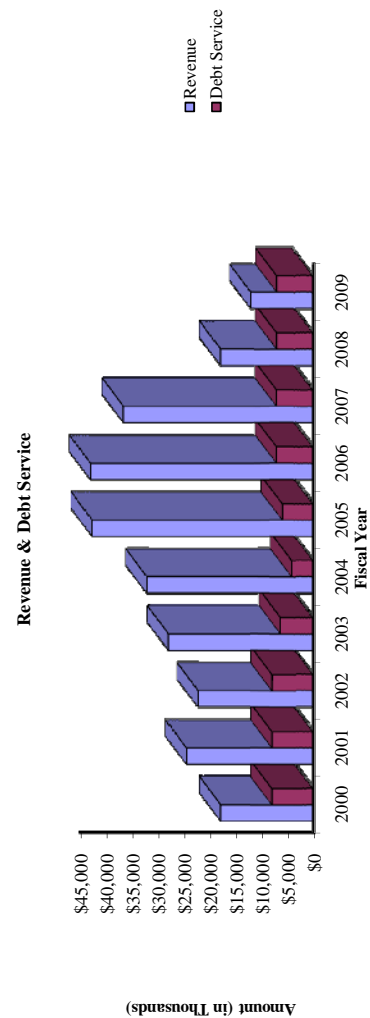
<sup>1</sup> During fiscal year 2006, the District utilized short-term bank financing.

<sup>2</sup> WMLTF stands for Water Management Lands Trust Fund.

<sup>3</sup> Refer to Schedule 15 for personal income information.

**Schedule 14**  
**South Florida Water Management District**  
**Pledged-Revenue Bond Coverage**  
 Last Ten Fiscal Years

Fiscal Year	Revenue				Debt Service			Coverage Ratio
	Documentary Stamp Taxes	Civil Penalties	Allocated Interest Income	Total Revenue	Principal	Interest	Total Debt Service	
2000	\$ 15,353,142	\$ 551,778	\$ 1,821,704	\$ 17,726,624	\$ 3,820,000	\$ 4,032,838	\$ 7,852,838	2.26
2001	20,692,711	921,210	2,696,414	24,310,335	3,985,000	3,861,824	7,846,824	3.10
2002	19,077,914	1,205,167	1,779,116	22,062,197	4,160,000	3,677,680	7,837,680	2.81
2003	25,308,332	677,827	1,793,006	27,779,165	3,450,000	2,728,371	6,178,371	4.50
2004	30,328,188	729,712	876,611	31,934,511	2,025,000	1,981,904	4,006,904	7.97
2005	40,825,275	641,382	1,004,100	42,470,757	3,260,000	2,583,429	5,843,429	7.27
2006	40,437,784	556,170	1,829,897	42,823,851	4,500,000	2,444,126	6,944,126	6.17
2007	34,619,597	810,573	1,042,873	36,473,043	4,660,000	2,303,401	6,963,401	5.24
2008	15,193,803	1,037,381	1,507,927	17,739,111	4,785,000	2,143,086	6,928,086	2.56
2009	10,909,497	450,011	522,616	11,882,124	4,975,000	1,940,171	6,915,171	1.72



Source: Florida Department of Environmental Protection, Water Management Lands Trust Fund, Bureau of Finance and Accounting Contracts Disbursements Section and District accounting records.



**Schedule 15**  
**South Florida Water Management District**  
**Demographic and Economic Statistics**  
Last Ten Calendar Years

Calendar Year	Population <sup>1</sup>	Personal Income (in thousands) <sup>2</sup>	Per Capita Personal Income	School Enrollment K - 12 <sup>3</sup>	Unemployment Rate <sup>4</sup>
2000	6,594,274	\$ 187,591,136	\$ 28,448	1,011,089	4.3%
2001	6,728,467	196,241,179	29,166	1,045,571	5.1%
2002	6,864,738	203,150,631	29,593	1,063,783	6.1%
2003	7,027,363	210,894,834	30,011	1,084,866	5.5%
2004	7,199,934	231,929,083	32,213	1,096,057	5.0%
2005	7,359,652	251,907,469	34,228	1,102,719	4.0%
2006	7,504,525	274,090,198	36,523	1,124,773	3.4%
2007	7,617,705	286,718,796	37,638	1,082,297	4.4%
2008	7,678,964	294,230,623	38,316	1,071,876	6.1%
2009	7,626,212	287,587,667	37,710	1,073,728	10.3%

Note: Data has been adjusted for counties with boundaries only partially within the District.

<sup>1</sup> Population data is from The Office of Economic & Demographic Research. See Schedule 16 for details on population.

<sup>2</sup> Source: Regional Economic Information System, Bureau of Economic Analysis, US Department of Commerce. Final data for calendar year 2009 is currently unavailable. The figure shown for calendar year 2009 is the average of the first three quarters of the year.

<sup>3</sup> Student enrollment data is obtained from The Florida Department of Education. Enrollment figures are based on the fall enrollment number for the calendar year specified.

<sup>4</sup> Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

**Schedule 16**  
**South Florida Water Management District**  
**District Population by County**  
Last Ten Calendar Years

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Broward	1,623,018	1,649,925	1,669,153	1,698,425	1,723,131	1,740,987	1,753,162	1,765,707	1,772,391	1,749,584
Charlotte *	708	723	743	760	785	770	802	823	831	5,113
Collier	251,377	264,475	277,457	292,466	306,186	317,788	326,658	333,858	339,128	332,386
Miami-Dade	2,253,779	2,285,869	2,312,478	2,345,932	2,379,818	2,422,075	2,437,022	2,462,292	2,475,018	2,476,632
Glades	10,576	10,612	10,664	10,729	10,733	10,729	10,796	11,055	11,256	11,480
Hendry	36,210	36,302	36,154	36,511	37,394	38,376	38,678	39,651	40,208	41,803
Highlands *	8,999	9,086	9,171	9,310	9,482	9,626	9,957	10,169	10,254	3,637
Lee	440,888	454,918	475,073	495,088	521,253	549,442	585,608	615,741	631,733	621,029
Martin	126,731	128,873	131,051	134,491	137,637	141,059	142,645	143,737	144,452	143,605
Monroe	79,589	80,588	81,140	80,537	81,236	82,413	80,510	78,987	78,205	75,365
Okeechobee *	35,192	35,424	35,820	36,491	37,244	37,010	37,893	38,249	38,292	39,258
Orange *	224,086	232,509	238,966	245,791	253,484	260,859	269,881	276,401	279,952	269,715
Osceola *	171,976	178,995	192,775	209,807	225,139	234,451	255,135	265,325	270,876	274,269
Palm Beach	1,131,191	1,154,473	1,183,197	1,211,448	1,242,270	1,265,900	1,287,987	1,295,033	1,299,332	1,290,485
Polk *	7,259	7,442	7,536	7,679	7,926	8,128	8,476	8,716	8,824	17,547
St. Lucie	192,695	198,253	203,360	211,898	226,216	240,039	259,315	271,961	278,212	274,304
<b>Total</b>	<b>6,594,274</b>	<b>6,728,467</b>	<b>6,864,738</b>	<b>7,027,363</b>	<b>7,199,934</b>	<b>7,359,652</b>	<b>7,504,525</b>	<b>7,617,705</b>	<b>7,678,964</b>	<b>7,626,212</b>

\* County is only partially within the District's boundaries. Population is prorated based on estimated population within the geographic boundaries of the District.

Source: The Office of Economic & Demographic Research - Florida Demographic Database, August 2009.

**Schedule 17**  
**South Florida Water Management District**  
**Employment Data**  
Last Ten Calendar Years

Calendar Year	Total Labor Force		Employed	Unemployed	Unemployment Rate (%)	
2000	3,340,194		3,197,811	142,383	4.3	
2001	3,417,293		3,243,669	173,624	5.1	
2002	3,473,704		3,264,210	209,494	6.1	
2003	3,520,975		3,325,940	195,035	5.5	
2004	3,600,708		3,422,407	178,301	5.0	
2005	3,714,548		3,564,785	149,763	4.0	
2006	3,815,337		3,686,457	128,880	3.4	
2007	3,855,439		3,685,668	169,771	4.4	
2008 <sup>1</sup>	3,844,561		3,610,123	234,438	6.1	
2009 <sup>2</sup>	3,852,405		3,454,388	398,017	10.3	

Note: Data has been adjusted for counties with boundaries only partially within the District.

<sup>1</sup> Figures have been updated to reflect revised inputs, reestimation, and new statewide controls.

<sup>2</sup> Final data for the calendar year 2009 is currently not available. The 2009 figures are based on the first 11 months of the year and November figures are preliminary.

Source: Bureau of Labor Statistics - <http://www.bls.gov/lau/home>.

**Schedule 18**  
**South Florida Water Management District**  
**Ten Largest Employers within District Boundaries**  
Prior Calendar Year and Nine Years Prior

2008				1999			
Employers	Rank	Number of Employees	% of Total Employment	Employers	Rank	Number of Employees	% of Total Employment
Walt Disney World	1	62,000	1.7%	Walt Disney World	1	55,000	1.8%
Miami-Dade County Public Schools	2	50,000	1.4%	Miami-Dade County Public Schools	2	34,310	1.1%
Broward County School Board	3	38,000	1.1%	Broward County School Board	4	23,235	0.8%
Miami-Dade County	4	32,000	0.9%	Miami-Dade County	3	28,000	0.9%
Orange County Public Schools	5	23,373	0.6%	Orange County Public Schools	5	19,767	0.6%
Palm Beach County School Board	6	21,718	0.6%	Palm Beach County School Board	6	17,000	0.6%
Darden Restaurants, Inc.	7	21,372	0.6%				
Adventist Health Systems	8	16,000	0.4%	Adventist Health Systems	8	11,210	0.4%
Orlando Regional Healthcare System	9	14,300	0.4%	Orlando Regional Healthcare System	10	8,200	0.3%
Broward County	10	13,114	0.4%	Broward County	7	11,367	0.4%
				Palm Beach County	9	9,000	0.3%
		<u>291,877</u>	<u>8.1%</u>			<u>217,089</u>	<u>7.2%</u>

Notes: Schedule excludes any county partially within the District boundaries that contributes less than 1% of total property tax revenue. Employers located in partial counties are scheduled at full employee count. Schedule excludes federal and state employees.

Information for the current calendar year is unavailable, therefore, the proceeding year's data is shown.

Source: Enterprise Florida, Inc. ([www.efflorida.com](http://www.efflorida.com)) and individual county Comprehensive Annual Financial Reports, when applicable.

Total employment detail is shown on Schedule 17.

**Schedule 19**  
**South Florida Water Management District**  
**Authorized Positions per 100,000 Population**  
 Last Ten Calendar Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Authorized Positions <sup>1</sup>	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,784	1,808	1,828
Population <sup>2</sup>	6,594,274	6,728,467	6,864,738	7,027,363	7,199,934	7,359,652	7,504,525	7,617,705	7,678,964	7,626,212
Authorized Positions per 100,000 Population	27	26	26	25	25	24	24	23	24	24

<sup>1</sup> Number of authorized positions is a measurement utilized for budgeting purposes that includes both filled positions and planned positions. Each authorized position is equal to one full-time employee.

<sup>2</sup> Population data is from The Office of Economic & Demographic Research and has been adjusted for counties with boundaries only partially within the District.

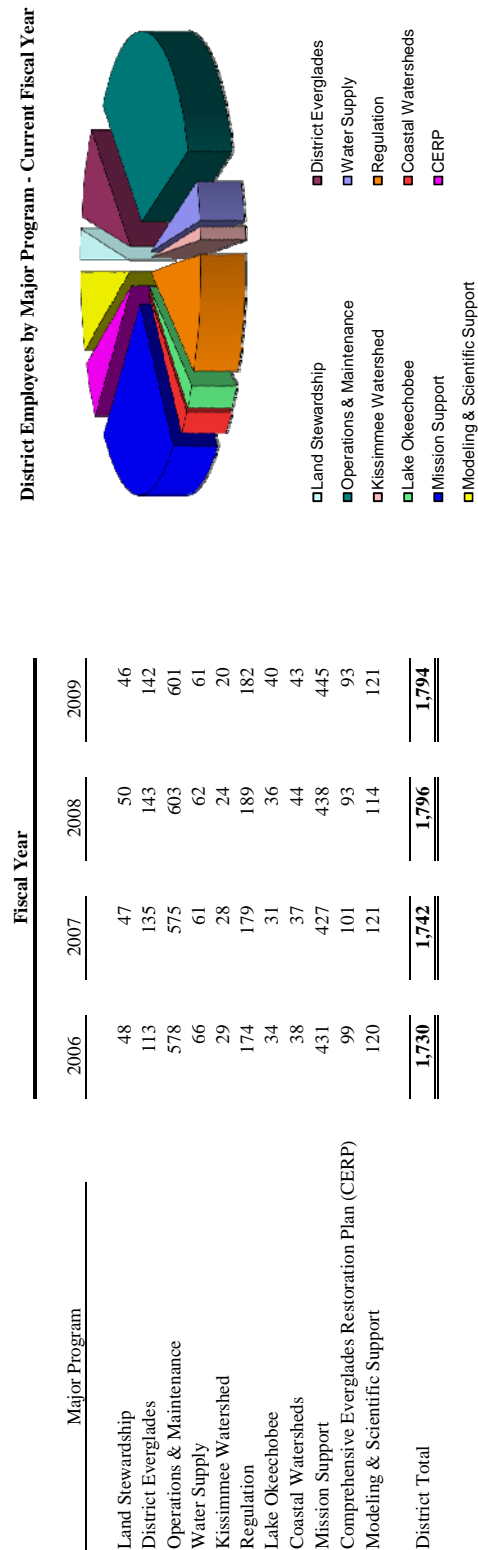
Details regarding population figures can be found on Schedule 16.

**Schedule 20**  
**South Florida Water Management District**  
**District Employees by Resource Area and Major Program**  
Current Fiscal Year

Resource Area/ Major Program	Number of Employees per Program <sup>1</sup>	Percentage of Employees per Resource Area	Percentage of Employees District-wide
<b>Water Resources</b>			
District Everglades	142	23.47%	7.92%
Water Supply	61	10.08%	3.40%
Kissimmee Watershed Regulation	19	3.14%	1.06%
Lake Okeechobee	181	29.92%	10.09%
Coastal Watersheds	40	6.61%	2.23%
Modeling & Scientific Support	41	6.78%	2.29%
<b>Water Resources Total</b>	<b>605</b>	<b>100.00%</b>	<b>33.73%</b>
<b>Operations &amp; Maintenance Resources</b>			
Operations & Maintenance	596	100.00%	33.22%
<b>Operations &amp; Maintenance Total</b>	<b>596</b>	<b>100.00%</b>	<b>33.22%</b>
<b>Corporation Resources</b>			
Mission Support	354	100.00%	19.73%
<b>Corporation Resources Total</b>	<b>354</b>	<b>100.00%</b>	<b>19.73%</b>
<b>Everglades Restoration Resources</b>			
Land Stewardship	46	33.09%	2.56%
Comprehensive Everglades Restoration Plan	93	66.91%	5.18%
<b>Everglades Restoration Resources Total</b>	<b>139</b>	<b>100.00%</b>	<b>7.74%</b>
<b>Government and Public Affairs</b>			
Land Stewardship	-	0.00%	0.00%
Operations & Maintenance	5	5.00%	0.28%
Water Supply	-	0.00%	0.00%
Kissimmee Watershed Regulation	1	1.00%	0.07%
Coastal Watersheds	1	1.00%	0.07%
Mission Support	2	2.00%	0.11%
Comprehensive Everglades Restoration Plan	91	91.00%	5.05%
<b>Government and Public Affairs Total</b>	<b>100</b>	<b>100.00%</b>	<b>5.58%</b>
<b>District Total</b>	<b>1,794</b>		<b>100.00%</b>

<sup>1</sup> Number of employees includes all filled positions (including shared positions) at the end of the fiscal year.

**Schedule 21**  
**South Florida Water Management District**  
**District Employees by Major Program**  
 Last Four Fiscal Years



Note: During fiscal year 2006, the District reorganized its resource area and major program structure. Due to the restructure, information will be provided for fiscal year 2006 and forward.

**Schedule 22**

**South Florida Water Management District  
Permit Applications Received  
Last Ten Fiscal Years**

Permit Category	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Environmental Resource	1,661	1,562	1,500	1,646	1,790	1,805	1,839	1,524	1,042	768
Consumptive Use	776	1,210	1,191	1,523	1,949	2,094	2,055	3,068	2,371	2,000
SWIM & Everglades Works Of The District	49	38	84	37	9	20	78	51	12	4
Total Applications Received	2,486	2,810	2,775	3,206	3,748	3,919	3,972	4,643	3,425	2,772

Source: Regulation Department of South Florida Water Management District.



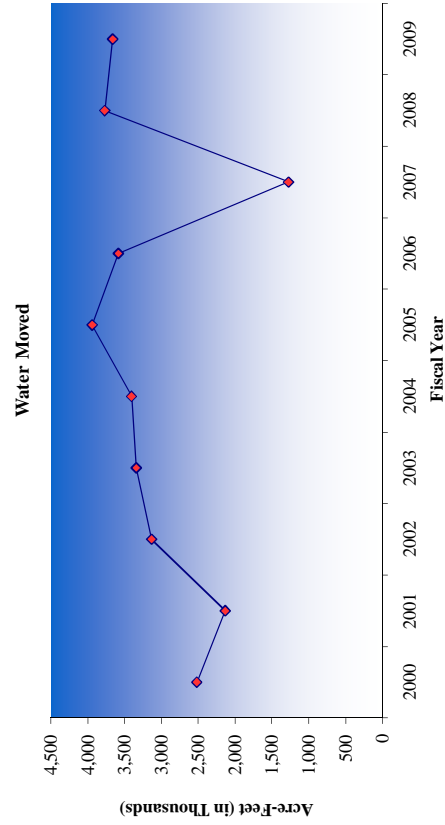
**Schedule 23**

**South Florida Water Management District  
Water Moved by District Pump Stations  
Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Acre-Feet (Thousands)	2,517	2,131	3,131	3,339	3,404	3,938	3,583	1,272	3,768	3,660

Note: The decrease in fiscal year 2007 is due to severe drought conditions experienced in South and Central Florida during that year.

Source: Water Quality Assessment Division of South Florida Water Management District.



**Schedule 24**

**South Florida Water Management District**

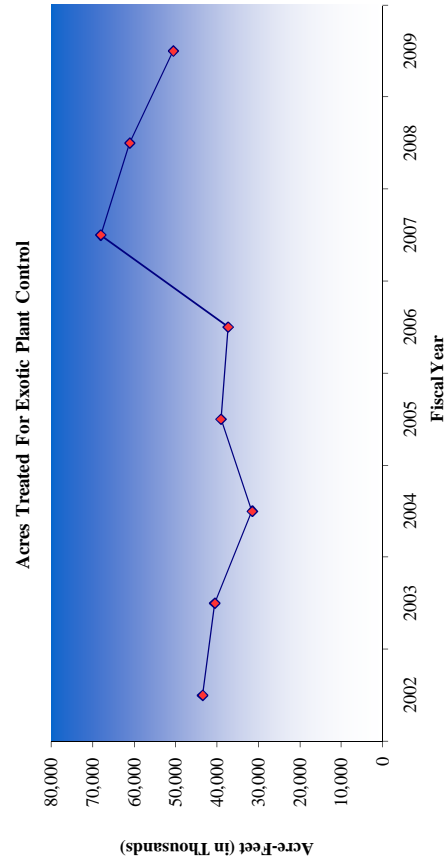
**Exotic Plant Control**

Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Acres treated	43,495	40,565	31,527	39,077	37,350	68,053	61,070	50,538

Note: Information prior to fiscal year 2002 is unavailable.

Source: Land Stewardship Division of South Florida Water Management District.



**Schedule 25**

**South Florida Water Management District**

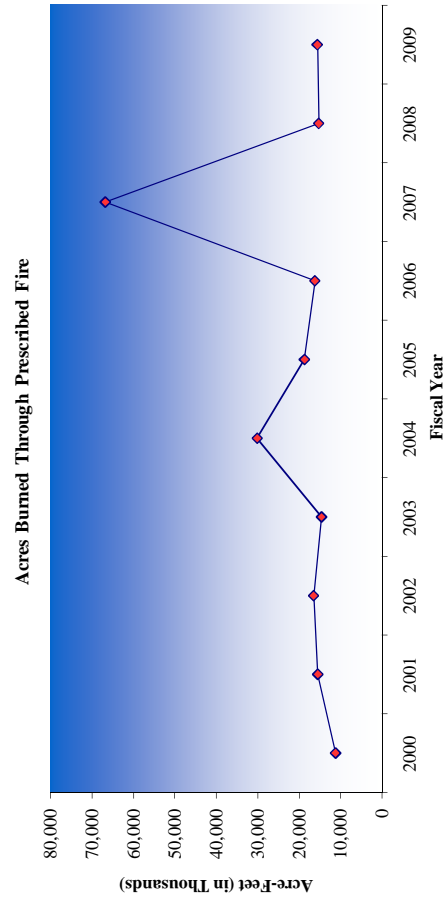
**Prescribed Burns**

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Acres burned	11,179	15,461	16,500	14,555	30,132	18,704	16,211	66,825 *	15,283	15,609

\* During fiscal year 2007, over 55,000 acres were burned in Lake Okeechobee as a suppression tool to combat wildfires.

Source: Land Stewardship Division of South Florida Water Management District.



Schedule 26

South Florida Water Management District

Stormwater Treatment

Last Eight Water Years

	Water Year							
	1994- 2002	2003	2004	2005	2006	2007	2008	2009
Metric tons of phosphorus removed	1,100	300	300	500	300	200	100	400

Notes: The District is directed by the Everglades Forever Act to reduce phosphorus levels from storm runoff and other sources before it enters the Everglades Protection Area. These reductions, which began in 1994, are achieved through Stormwater Treatment Areas (STA) and Best Management Practices.

A water year is the period from May 1 through April 30.

Source: South Florida Water Management District Environment Report.

**Schedule 27**  
**South Florida Water Management District**  
**Capital Assets by Major Program**  
Current Fiscal Year

Major Program	Land	Construction In Process	Canals & Levees	Buildings	Equipment	Improvements	Water Control Structures	Total
Land Stewardship	\$ 976,808,950	\$ 563,301	\$ -	\$ 1,158,923	\$ 789,394	\$ 2,411,424	\$ 926,762	\$ 982,658,754
District Everglades	81,041,411	60,590,023	182,759,219	772,478	4,445,157	5,313,830	183,839,500	518,761,618
Operations & Maintenance	16,125,938	43,533,819	371,601,667	19,687,977	26,927,734	4,923,197	280,747,923	763,548,255
Water Supply	1,197,714	52,960			394,083			1,644,757
Kissimmee Watershed	173,154,737	931,956			596,466			174,683,159
Regulation		101,474			596,085			697,559
Lake Okeechobee	31,320,610	13,387,377	382,165		1,704,266	45,885	98,590	46,938,893
Coastal Watersheds	37,367,058	1,421,664		1,802	319,142			39,109,666
Mission Support	206,680	6,500,115		26,753,226	30,247,511	234,511		63,942,043
Comprehensive Everglades Restoration Plan	1,066,387,676	441,464,073		235,271	3,516,134	566,203	7,904,150	1,520,073,507
Modeling & Scientific Support	891	984,659		285,598	1,309,483	44,175		2,624,806
District Total	<u>\$ 2,383,611,665</u>	<u>\$ 569,531,421</u>	<u>\$ 554,743,051</u>	<u>\$ 48,895,275</u>	<u>\$ 70,845,455</u>	<u>\$ 13,539,225</u>	<u>\$ 473,516,925</u>	<u>\$ 4,114,683,017</u>

Source: Capital asset records of South Florida Water Management District.



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# **DISCLOSURE SECTION**

S.E.C. RULE 15c2-12 DISCLOSURES





## **CONTINUING ANNUAL AND EVENT DISCLOSURES**

The following disclosures comply with amendments of the Securities and Exchange Commission (SEC) Rule 15c2-12 (b)(5)(i)(A) to (D). Effective in 1995, the amendments required municipal bond underwriters to gain reasonable assurance from bond issuers that they will provide annual information and notices of material events for disclosure to the secondary bond market. To enter the bond market, the District and other issuers of state and local government securities are indirectly affected by these amendments. We are using this section of the District's Comprehensive Annual Financial Report to comply with our continuing disclosure agreement.

### **DISTRICT AGREEMENT AND EFFECTIVE DATES**

In respective Bond Resolutions, the District agreed to provide continuing disclosure of annual information and notices of material events upon issuing its:

- Special Obligation Land Acquisition Refunding Bonds, Series 2002,
- Special Obligation Land Acquisition Refunding Bonds, Series 2003, and
- Certificates of Participation, Series 2006.

<b>SUMMARY OF CONTINUING BOND DISCLOSURE REQUIREMENTS</b>				
Recipient	Annual Financial Information	Audited Annual Financial Statements	Notice of Material Events	Notice of Failure to Provide Annual Financial Information
	SEC Rule 15c2-12 (b)(5)(i)(A)	SEC Rule 15c2-12 (b)(5)(i)(B)	SEC Rule 15c2-12 (b)(5)(i)(C)	SEC Rule 15c2-12 (b)(5)(i)(D)
	Effective FYE (1) After Jan. 1, 1996	Effective FYE (1) After Jan. 1, 1996	Effective July 3, 1995	Effective April 1 After FYE (1)
Each NRMSIR (2) or the MSRB (3)			X	X
Each NRMSIR (2)	X	X		
Paying Agent (4)	X	X	X	X
Underwriters (4)	X	X	X	X
(1) For the District, the date first effective was for Fiscal Year Ended (FYE) September 30, 1996. (2) Nationally Recognized Municipal Securities Information Repository. (3) Municipal Securities Rulemaking Board. (4) Required under Governing Board Resolution 95-28, Section 24, in connection with the issuance of the Special Obligation Land Acquisition Refunding Bonds, Series 1995.				

## **ANNUAL FINANCIAL INFORMATION**

SEC Rule 15c2-12(b)(5)(i)(A) requires annual financial information and operating data that are generally consistent with the presentation included in the Official Statements for each bond issue. The following paragraphs summarize the “Security for the Bonds” and the “Security for the Certificates” appearing in the Official Statements. Subsequent paragraphs, tables and exhibits contain the required financial information and operating data to include:

- pledged revenues,
- funding and allocation of monies and deposits of the Trust Fund, and
- lease payments.

## **SECURITY FOR THE BONDS**

The Bonds are secured by a first lien on and payable solely from the “Pledged Revenues” as provided in the Bond Resolution.

The Bonds are limited obligations of the District. As such, the District, the State of Florida, or any public body in the State shall not:

- pledge its full faith and credit to the payment of bond principal, interest or premium; or
- directly or indirectly be contingently obligated to levy any taxes or to make any appropriation for payment except from the pledged revenues for debt service on the Bonds.

***Pledged Revenues*** consist of all monies collected, allocated to the District, and deposited in the Water Management Lands Trust Fund (the “Trust Fund”) which consist of:

- a share of the Documentary Stamp Tax,
- investment earnings and civil penalties.

The pledged revenues equally and ratably secure the Series 2002 and 2003 Bonds. The Florida Department of Environmental Protection maintains the Trust Fund.

## **DOCUMENTARY STAMP TAX**

The State of Florida imposes an excise tax on documents (the “Documentary Stamp Tax”). Under current law, the Documentary Stamp Tax is levied upon certain instruments whereby interests in real property are conveyed, original issues of stock, bonds and debentures issued in the State of Florida, promissory notes or other written obligations to pay money, and mortgages recorded in the State of Florida. In general, the amount of the Documentary Stamp Tax due with respect to an instrument is based upon the amount of indebtedness evidenced or secured thereby, or in the case of documents transferring interests in property, upon the consideration for the transfer, or, in the case of stocks and bonds, upon the face value or actual value thereof.

The Documentary Stamp Tax is collected by the Florida Department of Revenue (DOR) and by the Clerks of the Circuit Courts of the counties in Florida on behalf of the DOR. The Documentary Stamp Tax is distributed, for various purposes, pursuant to a statutorily-prescribed formula.

## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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Under current law, the DOR distributes the Documentary Stamp Tax collections and investment earnings, thereon, as follows:

- The first 7% to the State of Florida General Revenue Fund to pay a portion of the costs of general government.
- The costs of collection and enforcement of the Documentary Stamp Tax are deducted by and for the use of the Department of Revenue.
- A portion of the then remaining Documentary Stamp Tax collections (including investment earnings) are required to be deposited in the Trust Fund.

There is no assurance that the Florida Legislature will not change the percentage allocations to the General Fund, the Documentary Stamp Tax collections to the Trust Fund, or the percentage of the Trust Fund allocable to the District. Likewise, the Legislature could implement an appropriations bill affecting the distributions to the Trust Fund. Such changes, if made, could affect distributions to the Trust Fund. However, there exists an implied contract with the State to allocate sufficient documentary stamp revenues to cover debt service.

The following table illustrates the current and historical taxation rates and percentage distribution to the Trust Fund.

<b>DOCUMENTARY STAMP TAX RATES AND TRUST FUND DISTRIBUTION</b>			
Year Effective	Tax (Per \$100) Stocks/Bonds/Mortgages	Tax (Per \$100) Deeds	Percent to Trust Fund
1963	\$0.15	-	-
1981	\$0.15	\$0.45	7.20%
1985	\$0.15	\$0.50	9.80%
1987	\$0.15	\$0.55	9.20%
1990	\$0.32	\$0.55	6.90%
1991	\$0.32	\$0.60	6.56%
1992	\$0.35	\$0.70	5.84%
2001	\$0.35	\$0.70	4.20%

### **FUNDING AND ALLOCATION OF THE TRUST FUND**

Deposits distributed to the Trust Fund began accruing to the District and the State's other four water management districts in August 1981. Under present law, moneys from the Trust Fund (net of DEP's administrative expenses) are allocated monthly among the State's five water management districts in the following percentages:

- 30% - South Florida
- 25% - St. Johns River
- 25% - Southwest Florida
- 10% - Suwannee River
- 10% - Northwest Florida

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## **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**

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### **USE OF THE TRUST FUND**

Expenditure of moneys from the Trust Fund is limited to payment of debt service and the acquisition, management, maintenance and capital improvement costs of certain lands included within the District's Five-Year Plan and to DEP's cost to administer the Trust Fund.

Moneys in the Trust Fund not needed to meet land acquisition and management costs, or current debt service, are invested by the State Treasurer to the credit of the Trust Fund, in the manner provided by Florida law. Interest received on such investments is credited to the Trust Fund and proportionally allocated to the District.

### **ESCROW AND RESERVE FUNDS**

Security for payment of debt service on outstanding bonds is provided from two sources:

- an Escrow Fund within the Trust Fund and
- a Surety Bond issued by AMBAC and held by the Trustee.

#### **Trust Fund Escrow**

An agreement between the District and the Florida Department of Environmental Protection (DEP) requires DEP to set aside and escrow from the first moneys allocable to the District in the Trust Fund, sufficient moneys for the payment of principal and interest on the Bonds becoming due in such Bond Year. DEP is obligated to pay Trust Fund moneys sufficient to pay debt service as it becomes due on the Bonds to the District's Paying Agent. However, such payment shall not exceed the District's cumulative portion of funds in the Trust Fund.

#### **Debt Service Reserve Fund/Surety Bond**

The Bond Resolution provides for establishment and maintenance of the Reserve Fund for the purpose of making deposits in the Debt Service Fund in the event the moneys therein are insufficient for the payment of sums due on the Bonds, and for no other purpose. Moneys on deposit in the Reserve Fund shall be maintained for the benefit of the holders of the Series 2002 and 2003 Bonds, and any parity obligations of the District issued pursuant to the Resolution.

The District is required to have on deposit in the Reserve Fund an amount of money and/or Debt Service Reserve Fund Surety Bonds equal to the Reserve Fund Requirement. Beginning in 1995, the District obtained a Debt Service Reserve Fund Surety Bond to meet this requirement. The Reserve Fund Requirement is defined in the Resolution to mean, at any time, an amount equal to the lesser of:

- the maximum amount of principal and interest on all outstanding bonds due in any succeeding fiscal year, or
- the aggregate of ten percent (10%) of the original proceeds of each series of bonds.

## **SECURITY FOR THE CERTIFICATES OF PARTICIPATION**

The Series 2006 Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments made by the Governing Board to the Corporation under the Series 2006 Lease. The Series 2006 Certificates are secured by and payable from the Trust Estate established for the Series 2006 Certificates (the "Trust Estate") pursuant to the Trust Agreement and any amounts payable under the Financial Guaranty Insurance Policy. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006 Lease and the Trust Agreement which are not required to be remitted to the Governing Board or the Corporation pursuant to the Master Lease or the Trust Agreement.

### **Purpose of the Series 2006 Certificates**

The Series 2006 Lease is entered into, and the Series 2006 Certificates issued to provide for the lease-purchase financing of the acquisition, construction, installation and equipping of certain facilities and improvements to land for the restoration, protection and preservation of the Everglades ecosystem pursuant to the Acceler8 Project; refinance certain interim financings of the District, a portion of which was used to commence construction of certain of the 2006 Facilities; and pay certain costs of issuance of the Series 2006 Certificates, including the premium on a financial guaranty insurance policy for the Series 2006 Certificates. The Series 2006 Certificates are executed and delivered pursuant to a Master Trust Agreement dated November 1, 2006, and as amended and supplemented by the Series 2006 Supplemental Trust Agreement, dated November 1, 2006.

### **Lease Payments**

All Basic and Additional Lease Payments and all other amounts required to be paid by the Governing Board under the Series 2006 Lease and all other Leases are payable solely from legally available funds budgeted and appropriated by the Governing Board for such purpose. Revenues available to the Governing Board for operational purposes and capital projects such as the Series 2006 Facilities include, but are not necessarily limited to, ad valorem taxes, operating grants and contributions from various sources, including the State of Florida, and capital grants and contributions from various sources, including the State and Federal Government.

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## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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### ANNUAL DEBT SERVICE REQUIREMENTS

Debt service requirements on the Series 2002 and 2003 Bonds, and Series 2006 Certificates are as follows:

<b>ANNUAL DEBT SERVICE (Principal and Interest) REQUIREMENTS (in Millions)</b>
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Fiscal Years	Total	Series 2002	Series 2003	Series 2006
2010	\$ 42.20	\$ 2.55	\$ 4.36	\$ 35.29
2011	42.15	2.54	4.37	35.24
2012	42.14	2.54	4.38	35.22
2013	42.14	2.53	4.37	35.24
2014 - 2018	198.43	7.59 <sup>1</sup>	13.04 <sup>1</sup>	175.80
2019 - 2023	175.38			175.38
2024 - 2028	174.83			174.83
2029 - 2033	174.14			174.14
2034 - 2037	138.70			138.70 <sup>2</sup>
Totals	\$ 1,030.11	\$ 17.75	\$ 30.52	\$ 979.84

### AUDITED ANNUAL FINANCIAL STATEMENTS

Section II of this Comprehensive Annual Financial Report contains the District's Basic Financial Statements and related Report of Independent Certified Public Accountants. These statements are consistent with the Basic Financial Statements contained in the Official Statements in compliance with SEC Rule 15c2-12(b)(5)(i)(A) and (B).

<sup>1</sup> Scheduled payoff – October 1, 2015.

<sup>2</sup> Scheduled payoff – October 1, 2036.

## SOUTH FLORIDA WATER MANAGEMENT DISTRICT

### REQUIRED NOTICES

The following table lists each material event and required notice defined in SEC Rule 15c2-12(b)(5)(i)(C) and (D). The table confirms that no notice to the NRMSIR or the MSRB and the SID was required for any of the material events related to each of the indicated Land Acquisition Bond Series currently outstanding. This confirms compliance with SEC Rule 15c2-12(b)(5)(i)(C) and (D) from July 3, 1995 to the date of this report.

NOTICE OF MATERIAL EVENTS OR FAILURE TO PROVIDE REQUIRED ANNUAL FINANCIAL INFORMATION		LAND ACQUISITION BONDS		CERTIFICATES
RULE SEC.	DESCRIPTION	SERIES 2002	SERIES 2003	SERIES 2006
(C)(1)	Principal and interest payment delinquencies.	None	None	None
(C)(2)	Non-payment related defaults.	None	None	None
(C)(3)	Unscheduled draws on debt service reserves reflecting financial difficulties.	None	None	None
(C)(4)	Unscheduled draws on credit enhancements reflecting financial difficulties.	None	None	None
(C)(5)	Substitution of credit or liquidity providers, or their failure to perform.	None	None	None
(C)(6)	Adverse tax opinions or events affecting the tax-exempt status of the security.	None	None	None
(C)(7)	Modifications to rights of security holders.	None	None	None
(C)(8)	Bond calls.	None	None	None
(C)(9)	Defeasances.	None	None	None
(C)(10)	Release, substitution, or sale of property securing repayment of the securities.	None	None	None
(C)(11)	Ratings changes.	(a)	(a)	(a)
(*)	Default of the Florida Department of Environmental Protection on its obligations under the Agreement.	None	None	None
(D)	Failure to provide annual financial information or operating data in a timely manner.	None	None	None

- (a) Previously all debt issued by the District carried a AAA “insured” credit rating. In fiscal year 2009, the credit rating for the District’s bond insurer, AMBAC Assurance Corporation, was downgraded by the major rating agencies to a CC rating from AAA. The rating on all District debt is now based on the District’s underlying “non-insured” rating as follows:

- Certificates of Participation, Series 2006, rated AA3, AA+ and AA- by Moody’s, Standard & Poor’s and Fitch, respectively.
- Land Acquisition Bonds, Series 2002 and 2003, rated A2, A+ and A- by Moody’s, Standard & Poor’s and Fitch, respectively, which includes the downgrade by Moody’s.



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